



Empowering People...Engaging Community...Enabling Success



Newfoundland and Labrador **Poverty Reduction Strategy** progress report

June 2014

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Message from the Premier

The document before you reflects one of the proudest accomplishments of this government. Since the launch in 2006 of *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, this province has been recognized as a leader in efforts to alleviate, reduce and prevent poverty.



Today, in 2014, we don't have to look far to see numerous indicators of success. Our economy is robust; our rate of taxation is competitive, both for individuals and businesses; more people are working than ever before and earning wages that are competitive, while others are going to school to secure a better job or advance in their chosen career, supported by a generous student aid package and ongoing tuition freeze at both Memorial University and College of the North Atlantic. Meanwhile, others come to our shores in record numbers from other parts of Canada and the world because our post-secondary education is both high-quality and affordable.

We also have a Poverty Reduction Strategy. A strategy that is bold and ambitious, regarded nationally as a model for others to follow. A read through this progress report will show you how far we have come as a province in a short time. For example, from 2003 to 2011 Median Family Income increased 26 per cent. In that same time period, according to Statistics Canada Low Income Cut-Offs, the number of people with low incomes decreased by more than 50 per cent.

While this Poverty Reduction Strategy Progress Report has a great deal to say about what we have accomplished in support of the five goals and 20 objectives first outlined back in 2006, it also points the way forward. With our report of progress now complete, we will continue with the important work on a new action plan to guide future themes and directions in our efforts to end poverty in Newfoundland and Labrador.

Sincerely,

A handwritten signature in black ink, which appears to read "Tom Marshall".

Honourable Thomas W. Marshall, Q.C.,
Premier of Newfoundland and Labrador.

Published under the authority of:

The Honourable Kevin O'Brien

Minister of Advanced Education and Skills
Lead Minister for the Government of
Newfoundland and Labrador's Poverty Reduction
Strategy

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June 2014

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Message from the Minister

As the Lead Minister for the Poverty Reduction Strategy, it is my great pleasure to present this latest report of progress made towards our collective efforts at poverty reduction in Newfoundland and Labrador.

As a province and as a people, we have many reasons to take pride in our accomplishments. By nearly any measure, we have made great strides along a challenging path.



Most are familiar with the big-picture indicators of our progress. To note a few: today, more people are employed than ever before; the number of individuals receiving Income Support is the lowest on record; and, students can avail of a quality post-secondary education system that is affordable and accessible, supported by a student aid package that is the envy of the rest of Canada. But, as you will soon discover, there is a lot more to tell in the story of poverty reduction in Newfoundland and Labrador.

This story of progress is also enriched with commentary and anecdotes from people whose lives have been changed – in some cases transformed – by this ambitious plan for shared prosperity. On behalf of everyone involved in the ongoing efforts and success of the Poverty Reduction Strategy, we are grateful for the generosity demonstrated by so many in the sharing of information and personal stories to inform the strategy and this report. The information gathered from individuals who have experienced poverty first-hand, as well as community partners who work with and on behalf of people in challenging circumstances, has been instrumental in ensuring investments are being made in initiatives that make the most difference.

Listening to the advice of people with lived experience has been essential to our progress towards poverty reduction in Newfoundland and Labrador.

Sincerely

A handwritten signature in black ink that reads "Kevin O'Brien". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Honourable Kevin O'Brien
Minister of Advanced Education and Skills

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Executive Summary

In 2003, the Government of Newfoundland and Labrador committed to make the province's rate of poverty the lowest in Canada. *Reducing Poverty: An Action Plan for Newfoundland and Labrador* was released in 2006 and has guided a long-term and integrated approach to transforming the province from having one of the highest levels of poverty to the lowest. According to the most recent data available, Newfoundland and Labrador now has the second lowest poverty levels in the country (tied with Saskatchewan), behind only Prince Edward Island.¹ Investments and initiatives, as well as personal stories highlighted throughout this progress report, speak to the changes that have taken place and of the 36,000 people who have made the journey out of poverty since 2003.²

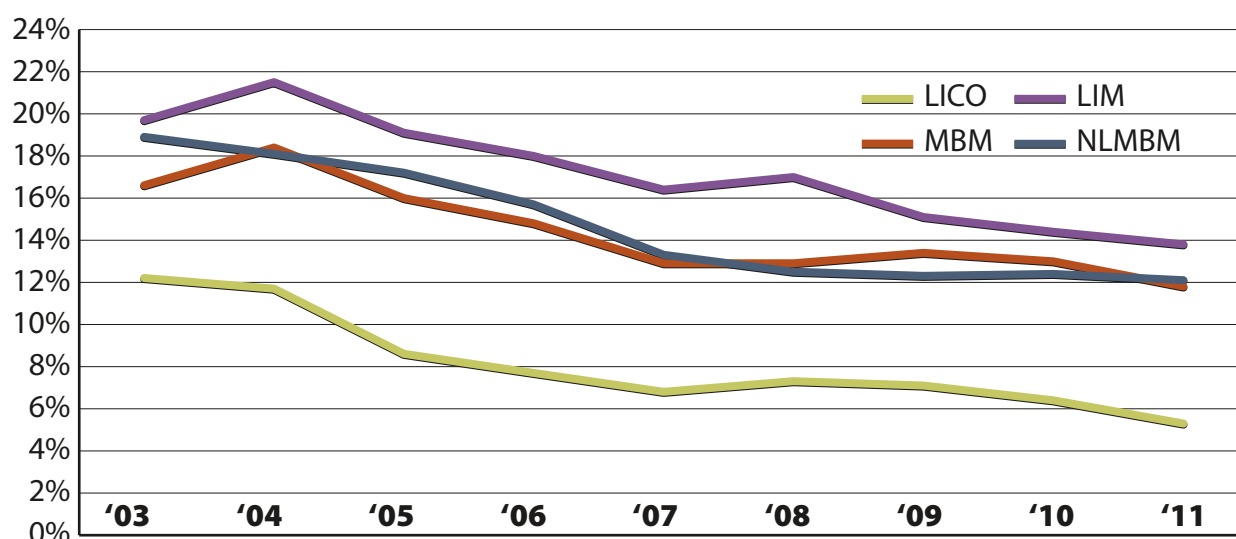
As shown in Figure 1, all low-income measures show a large reduction in the percentage of people living in poverty in the province. For example, according to Statistics Canada's Low Income Cut-Offs (LICO):

- 63,000 people had low incomes in 2003, whereas in 2011, this number had fallen to 27,000, and;
- In 2011, the incidence of low income in Canada was 8.8 per cent while in Newfoundland and Labrador it was 5.3 per cent.

1 Statistics Canada's 2011 Low Income Cut-Offs (LICOs), After-Tax

2 LICOs shows a decline of individuals living in low income from 63,000 in 2003 to 27,000 in 2011 (36,000). Other low income measures show similar declines for this period – The Low Income Measure shows a decline from 101,000 in 2003 to 69,000 in 2011 (32,000), the national Market Basket Measure shows a decline from 85,000 in 2003 to 59,000 in 2011 (26,000). The NL Market Basket Measure from 97,500 in 2003 to 61,900 in 2011 (35,600). These measures are all described in more detail in Annex III.

Figure 1. Incidence of Low Income (All Indicators)



Source: LICO, LIM and MBM: Statistics Canada, table 202-0802. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889. NLMBM: Newfoundland and Labrador Statistics Agency.

In 2009, 15 indicators were identified for monitoring and reporting. These include the four low- income measures and other key income and children and youth indicators. Most recent data show positive results. Highlights of the other indicators include:

- Median Family Income has increased 26 per cent from 2003 to 2011, from \$47,900 in 2003 to \$60,300 in 2011.
- The Jobless Family Rate, that is the percentage of families in which no one is working, has fallen from 14.9 per cent in 2003, to 12.5 per cent in 2011.
- For students from low-income families beginning university Fall 2014, Newfoundland and Labrador remains the most affordable province on the Cost of Learning Index
- The number of people receiving Income Support in Newfoundland and Labrador is at an all-time low. In 2003, about 10 per cent of the population in the province received Income Support monthly, compared with about 7 per cent in 2013. The caseload (number of families and single people) receiving benefits at any point during the year decreased from 36,700 in 2003 to 29,650 in 2013.

Fourteen out of fifteen indicators show a positive result. Mathematics and Reading Educational scores, measured by the Programme for International Student Assessment (PISA), have declined since 2003. Despite the decline, Newfoundland and Labrador's scores in 2012 are above the international average, and above countries such as Norway, Sweden, and the United States. The mathematics assessment in 2012 was administered in two forms: paper-based and computer-based. When combining, the paper-based and the computer-based results to make a composite score, Newfoundland and Labrador's overall ranking improved. The composite score provides a more rounded picture of student's mathematical literacy. In 2015 all PISA testing will be computer based. An *Excellence in Math Strategy* was introduced in 2008 to ensure our graduates continue to succeed. Teachers are also being assisted with new teaching strategies across the curriculum.

An important measure of success is the combined impact of Poverty Reduction Strategy initiatives on individuals and families. Examples include:

- Elizabeth, a single parent, who would not have been better off financially by working in 2003, was able to go to work in 2009 because of changes in policy and programs made through the Poverty Reduction Strategy. This greatly improved the quality of life for her and her children. Her income increased from less than \$24,000 in 2003 on Income Support to over \$40,000 in 2009 while working. In 2014 her income would be almost \$46,000 (\$ controlled for inflation). See pages 58-59.
- A two-parent family leaving Income Support in 2003 would have had to pay for prescription medication, dental costs, child-care costs, textbooks (for children in grades nine to 12) and school fees, adding up to over \$7,000. In 2014, their total costs for these same things after leaving Income Support is about \$350. These initiatives benefit all working families with lower incomes. See pages 53-54.

From 2006 to 2014, over \$1 billion in new funding has been budgeted through the Poverty Reduction Strategy to implement a broad range of initiatives in support of the goals and objectives of *Reducing Poverty: An Action Plan for Newfoundland and Labrador*³. The five goals of the *Action Plan* are:

3 See Appendix II for a list of current initiatives.

Goal 1: Improved access to and coordination of services for people with low income

A key issue raised at the beginning of the Poverty Reduction Strategy was that people with low incomes found government programs difficult to access, not available where they were needed and programs and services were often not coordinated. The Government of Newfoundland and Labrador has worked to improve access and coordination of services for people vulnerable to poverty. The overall approach of the strategy encourages a more integrated approach to policy development. Working with community groups and people living in poverty strengthens policy development by ensuring real life experience of people with low incomes informs program and policy design.

Examples of initiatives that support this goal include:

- The development of the Newfoundland and Labrador Market Basket Measure (NLMBM). This is a measure of low income designed by the Newfoundland and Labrador Statistics Agency specifically for the province. By using income tax data rather than survey data, it provides a more reliable assessment of low income than the three national measures. It shows a similar decline to Statistics Canada's Low Income Cut-Offs in the number of people living in poverty with 35,600 fewer people living in low income in 2011 compared with 2003. This innovative measure allows for analysis at the community and neighborhood level and for family type, age and gender. This informs the development of more targeted initiatives to help prevent, reduce and alleviate poverty in Newfoundland and Labrador.
- The creation of Newfoundland and Labrador Housing's Supportive Living Program. This provides financial support to community-based organizations for a range of services and supports in a coordinated manner, focused on housing and homelessness for people with complex needs. In 2012/13, there were 27 community-based initiatives that provided services to more than 1,600 people.
- Increased funding for the eight Women's Centres, eight Newfoundland and Labrador Housing Community Centres and the ten Newfoundland and Labrador Housing Neighbourhood Centres as these centres provide health, employment, education, and social and recreational programming to individuals and families with low incomes.

Goal 2: A stronger social safety net

A strong social safety net helps individuals and families through difficult times. It helps break the cycle of poverty and social exclusion by supporting people to develop to their full potential and participate in their communities.

Examples of initiatives that support this goal include:

- Creating a Rent Supplement Program to provide financial help to low-income households that are waitlisted for Newfoundland and Labrador Housing units or for whom Newfoundland and Labrador Housing units are not suitable. The program extends social housing rates to units owned by private landlords. This both increases the number of units available and provides a greater range of housing options. In 2012/13, over 1,700 households received a supplement.
- Expanding the Newfoundland and Labrador Prescription Drug Program to cover about 46,000 additional low-wage earners and their families as well as families with high prescription drug costs relative to their income.
- A cumulative increase in the basic individual and family Income Support benefits rates of 18.6 per cent between 2006 and 2013.

Goal 3: Improved earned incomes

Helping people join and remain in the workforce is a priority for the Poverty Reduction Strategy. This includes increasing supports for low wage earners. Additional supports are required for people with visible or non-visible disabilities, low literacy and numeracy skills, limited or no direct work experience, complex needs including homelessness and addictions, lack of social or life skills, as well as for victims of violence. While further improvement is necessary, the noted positive changes show the province is on the right path.

Examples of initiatives that support this goal include:

- An expansion of the Earned Income Supplement from only participants of certain employment programs to all working single parents receiving Income Support benefits. This is an incentive that provides a financial benefit which increases with earnings and is then phased out. About 370 single parents receive this benefit every month.

- Increases in the Low-Income Tax Reduction thresholds , so that in 2013 provincial income tax was eliminated for individuals with net income up to \$17,288 and for families with net income up to \$28,928 and partial tax reductions were provided to individuals with net income up to \$21,056 and families with net income up to \$34,590. About 32,500 individuals benefited from this change in 2012. Effective for the 2014 taxation year, the thresholds will be increased by \$1,000 for individuals and \$2,000 for families, over and above what they would have been under the indexation of the thresholds.

Goal 4: Increased emphasis on early childhood development

Research demonstrates that one of the best ways to prevent poverty and ensure all children develop to their full potential is to invest in the early years. Early experiences have a profound influence on brain development, school readiness, subsequent learning and future adult health. The Provincial Government is providing additional supports to children, youth and families with an emphasis on vulnerable children and youth. Investments in early childhood development help children reach their full potential.

Examples of initiatives that support this goal include:

- Implementation of the Early Learning and Child Care Capacity Initiative which supports the increase in the number of child care spaces in rural and under serviced areas. Examples include increased funding for Start-Up Grants to regulated family child care homes and the introduction of a monthly Infant Stimulus Grant to increase the number of regulated family child care homes. Between 2003 and 2013 there has been a 70 per cent increase in the number of regulated child care spaces.
- Enhancements have been made to the Child Care Services Subsidy Program which provides a full subsidy to eligible single parents with an income of up to \$27,480 and two-parent families with an income of up to \$27,840. Partial subsidies are also available for those with higher incomes. In December 2013, there were over 2,300 families receiving subsidies.
- The province-wide implementation of the Early Development Instrument (EDI). This assesses children's readiness to learn as they start Kindergarten and is being used to target programming.

Goal 5: A better educated population

One of the best ways to prevent poverty from occurring is to have a better educated population.

Education opens up long-term opportunities for economic success, restores the balance of opportunity and helps people develop to their full potential. A better educated population is a more self-reliant population, one that can both contribute to and take full advantage of the province's economic prosperity.

Examples of initiatives that support this goal include:

- The implementation of an Education Incentive Allowance. This provides Newfoundland and Labrador Housing tenants with dependents in grades seven to twelve or full-time post-secondary studies, as well as adult tenants in full-time Adult Basic Education or post-secondary education or training, with \$50 each per month if they attend school.
- The Positive Actions for Student Success program provides dedicated teachers to work with disengaged students and at-risk youth to help them remain in school and continue their education. Between 2011 and 2013, over 850 students participated with a high success rate. For example, of the 199 students who had dropped out and returned during this period to participate in the program, 46 per cent have graduated from high school.
- The number of seats in the Comprehensive Arts and Science Transition Program has been increased and enrollment has gone from 142 students in 2006/07 to 433 in 2012/13. This program provides those who lack academic credentials to pursue post-secondary education or training with the opportunity to get those credentials and move on to post-secondary programs.

The goals and objectives of the Poverty Reduction Strategy are based on the key directions to prevent, reduce and alleviate poverty, as well as input received during consultations and research. Consultation and ongoing dialogue with community partners is a cornerstone of the Government of Newfoundland and Labrador's approach. It has allowed systemic barriers to be broken down and for investments to be made that have the greatest impact on society's most vulnerable.

The Poverty Reduction Strategy has been a key component in the Provincial Government's overall social and economic approach to ensuring the province meets its full potential and that prosperity is shared. This includes reducing the tax burden on families, investing in infrastructure and strong fiscal management to ensure sustainable growth.

There have never been more opportunities in the province. More people in the province are working than ever before and this is reflected in Newfoundland and Labrador's average annual unemployment rate being the lowest ever recorded. The strategy continues to work to ensure that everyone can benefit from the province's strong economy. In partnership with the broader community the Government of Newfoundland and Labrador is committed to continue building this strategy.

An integrated approach has been crucial to the successes of the strategy. Provincial Government departments and agencies are working together to ensure people with low income are considered in the development of new policies and programs. Working closely with community groups, people living in or vulnerable to poverty, business and labour to ensure that the right supports and policies exist is also an essential component of the success.

While the strategy has supported many people to move out of poverty, there are still many who are living with low incomes. One area of concern highlighted by the Newfoundland and Labrador Market Basket Measure is that the number of people living in extreme low income has not decreased at the same rate as low income overall. Targeting initiatives to people in extreme low income is a priority for the strategy as it continues. Other priority areas include removing remaining financial disincentives to employment, particularly those for persons with disabilities, continuing to increase supports for early learning, child care and vulnerable youth, and addressing the impact of increasing costs of necessities such as housing, food and heating on people with low incomes.

Budget 2014 continues to build the Poverty Reduction Strategy with an investment of over \$170 million for ongoing and new strategy initiatives. Examples of new investments include a five per cent increase to basic individual and family Income Support rates, increases to the Senior's Benefit, thresholds for Low Income Tax Reduction, the Supportive Living and Rent Supplement programs, and extensions to the Canada-Newfoundland and

Labrador Affordable Housing, Residential Energy Efficiency and Home Modification Programs.

Several other changes are also under development. As announced in Budget 2014, full day kindergarten will be implemented in September 2016. By 2016, the Provincial Government will also eliminate provincial student loans and replace them with upfront grants that do not have to be repaid.

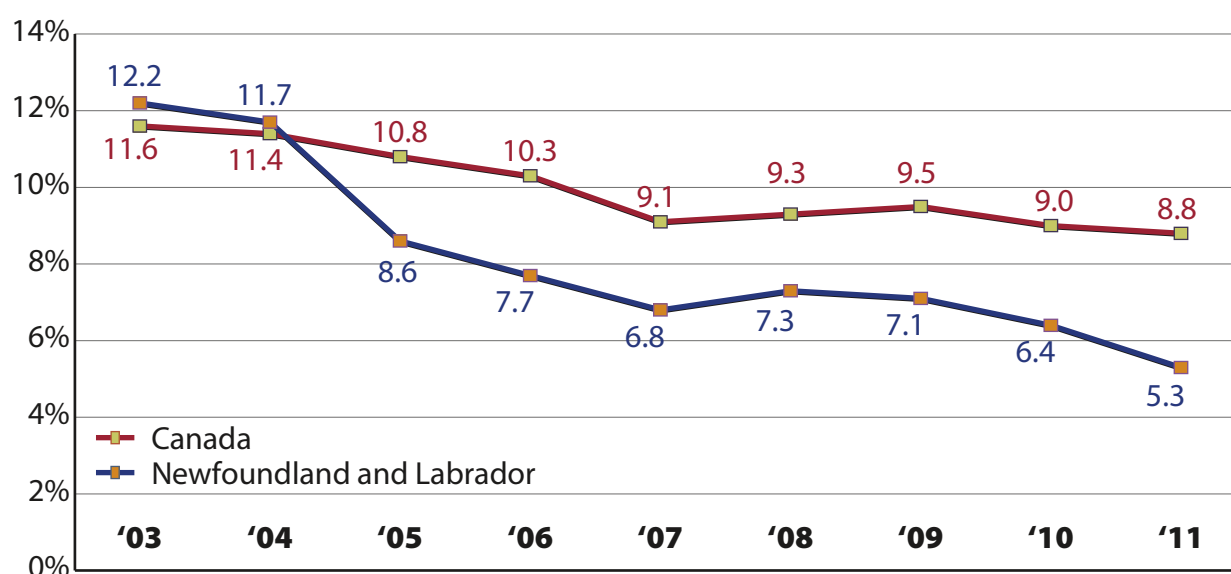
In the Fall 2013 session of the House of Assembly, the Government of Newfoundland and Labrador committed to increasing rental affordability for Income Support clients in areas of the province where rental rates are highest. A comprehensive review currently underway of regional rental rates will inform how these increases will be implemented. Additionally, a report on homelessness is being finalized by Orgcode—independent, internationally recognized experts on homelessness.

There is still much work to be done and challenges to be faced with respect to eliminating poverty. With continued collaboration with advocates, community-based organizations, business, labour, and people living in or vulnerable to poverty, these challenges can be met. The continuation of the Poverty Reduction Strategy demonstrates the Provincial Government's unwavering commitment to improve the quality of life of the province's most vulnerable citizens.

Introduction

In 2003, the Government of Newfoundland and Labrador committed to make the province's rate of poverty the lowest in Canada. *Reducing Poverty: An Action Plan for Newfoundland and Labrador* was released in 2006 and has guided a long-term and integrated approach to transforming the province from having one of the highest levels of poverty to the lowest. According to the most recent data available, Newfoundland and Labrador now has the second lowest poverty levels in the country (tied with Saskatchewan), behind only Prince Edward Island.⁴ Investments and initiatives, as well as personal stories highlighted throughout this progress report, speak to the changes that have taken place and of the 36,000 people who have made the journey out of poverty since 2003.⁵

Figure 2. Percentage of Persons with Low Incomes



Source: Statistics Canada's Low Income Cut-Offs – Incidence (after-tax)

4 Statistics Canada's 2011 Low Income Cut Offs (LICOs), After-Tax

5 LICOs shows a decline of individuals living in low income from 63,000 in 2003 to 27,000 in 2011 (36,000). Other low income measures show similar declines for this period– The Low Income Measure shows a decline from 101,000 in 2003 to 69,000 in 2011 (32,000), the national Market Basket Measure shows a decline from 85,000 in 2003 to 59,000 in 2011 (26,000). The NL Market Basket Measure from 97,500 in 2003 to 61,900 in 2011 (35,600). These measures are all described in more detail in Annex III.

In 2005, Government committed to developing and implementing a comprehensive strategy to tackle poverty. Based on research and significant input from community-based advocacy, service delivery and faith-based organizations, from business and labour groups, and from people living in poverty, *Reducing Poverty: An Action Plan for Newfoundland and Labrador* was developed. It was released in 2006 and has guided a long-term, integrated approach.

From 2006 to 2014, over \$1 billion in new funding has been budgeted through the Poverty Reduction Strategy to implement a broad range of initiatives to alleviate, reduce and prevent poverty.⁶ This plan is being implemented under the guidance of a committee of 11 Cabinet Ministers and the involvement of most government departments and agencies. The strategy has led to more collaborative work within government so that a coordinated and integrated approach is taken to meeting the needs of Newfoundlanders and Labradorians. Consultation and ongoing dialogue with community partners is a cornerstone of an approach that has allowed systemic barriers to be broken down and investments made that have the greatest impact on society's most vulnerable.

As shown in figure 3 (page 4) and detailed in Appendix III, all of the available indicators of low income show the progress that has been made in supporting people to move out of poverty. Other indicators tell a similar story. For example, the Income Support caseload for Newfoundland and Labrador is at an all-time low, having been reduced by almost 22,000 people from 2003 to 2013. The results show that removing financial disincentives is encouraging people receiving Income Support to seek and secure employment. The combination of these initiatives and the strengthening economy in the province has supported many people to take the most direct route out of poverty—education and employment.

The Poverty Reduction Strategy has been a key component in the government of Newfoundland and Labrador's overall social and economic approach to ensuring the province meets its full potential and that prosperity is shared. This approach includes reducing the tax burden on families, investing in infrastructure, and strong fiscal management to ensure sustainable growth.

6 See Appendix II for a list of current initiatives

Reducing poverty and social exclusion is critical to achieving prosperity for all because these have significant costs for the province and hold people back from participating fully in society and contributing to the economy and to communities.

There have never been more opportunities in the province. Newfoundland and Labrador's average annual unemployment rate is the lowest ever recorded. The unemployment rate was 11.4 per cent in 2013 compared with 16.4 per cent in 2003. In some parts of the province employers are having difficulty finding employees to fill positions. The experiences of other jurisdictions make it clear that overall economic growth does not necessarily benefit those living in poverty. The Government of Newfoundland and Labrador's Poverty Reduction Strategy continues to work to ensure that everyone can benefit from the province's strong economy.

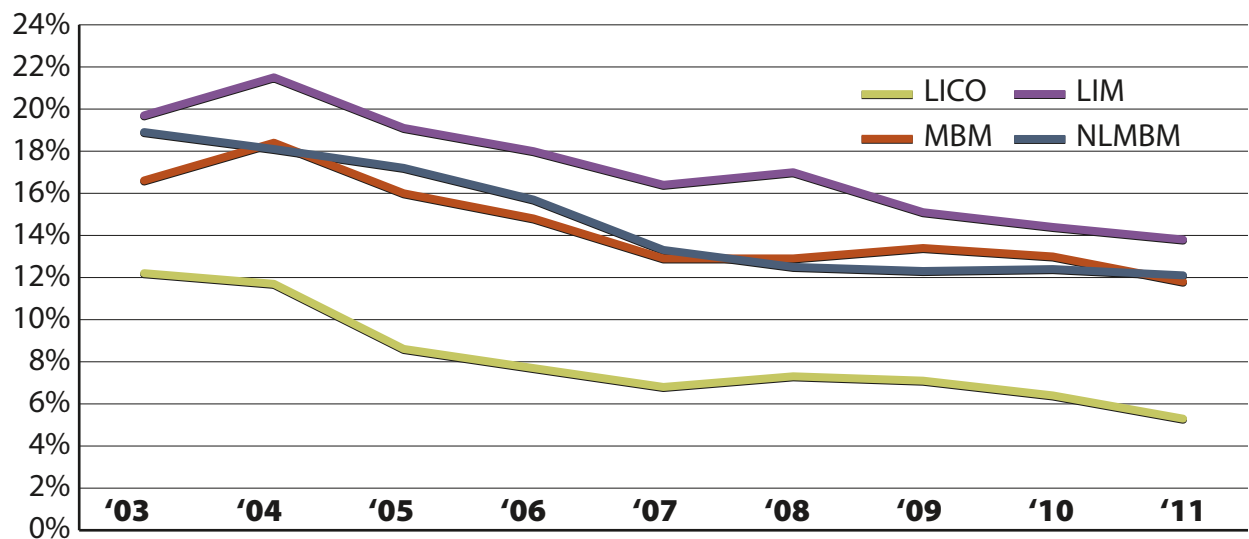
Poverty and social exclusion have a negative impact on the province as a whole. A comprehensive and integrated approach is necessary in order to make connections between poverty and gender, education, housing, employment, health, social and financial supports and tax measures, as well as the complex link between women's poverty and their increased vulnerability to violence. In partnership with the broader community, the Government of Newfoundland and Labrador is committed to continue building this strategy.

Overall Progress in Reducing Poverty

In order to determine progress in tackling poverty and meeting the goal of becoming the province with the least poverty, it is important to track and monitor a comprehensive set of indicators. Fifteen indicators have been chosen to monitor and track progress. These include three nationally available measures of low income, and the Newfoundland and Labrador Market Basket Measure (NLMBM). The NLMBM was created by the Newfoundland and Labrador Statistics Agency to allow for an accurate assessment of low income in communities throughout the province. Where possible gender and regional differences for the indicators are also being tracked. Detailed information on these indicators, including baselines and progress to date, is presented in Appendix III.

As shown in Figure 3, all low income measures show a large reduction in the percentage of people living in poverty in the province.

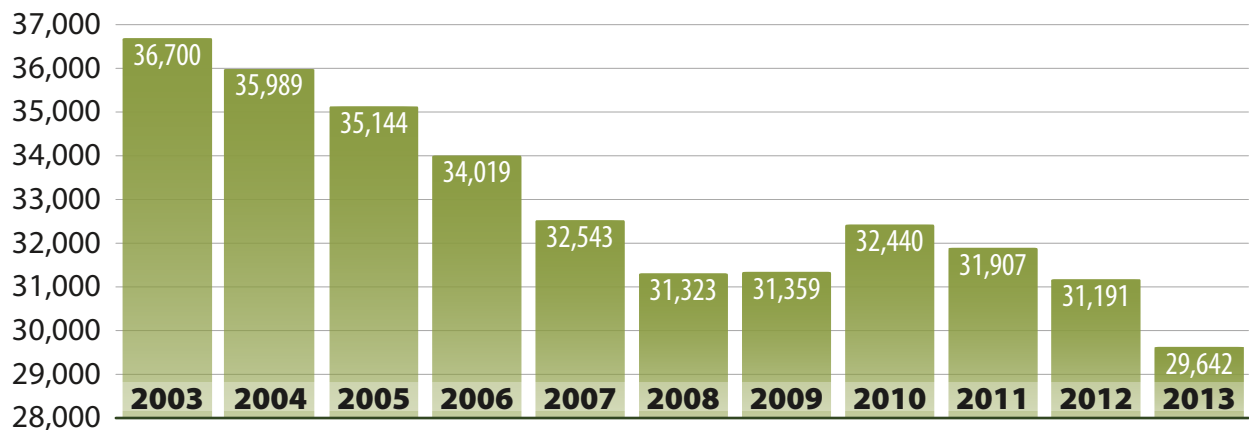
Figure 3. Incidence of Low Income



Source: LICO, LIM and MBM: Statistics Canada, table 202-0802. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889. NLMBM: Newfoundland and Labrador Statistics Agency.

- According to Statistics Canada's Low Income Cut-Offs (LICO), 63,000 people were living in low income in 2003, whereas in 2011, this number had fallen to 27,000.
- Newfoundland and Labrador has the second lowest levels of low income in Canada (tied with Saskatchewan).
- In 2011, the incidence of low income in Canada was 8.8 per cent. For Newfoundland and Labrador in 2011, the incidence of low income was 5.3 per cent.

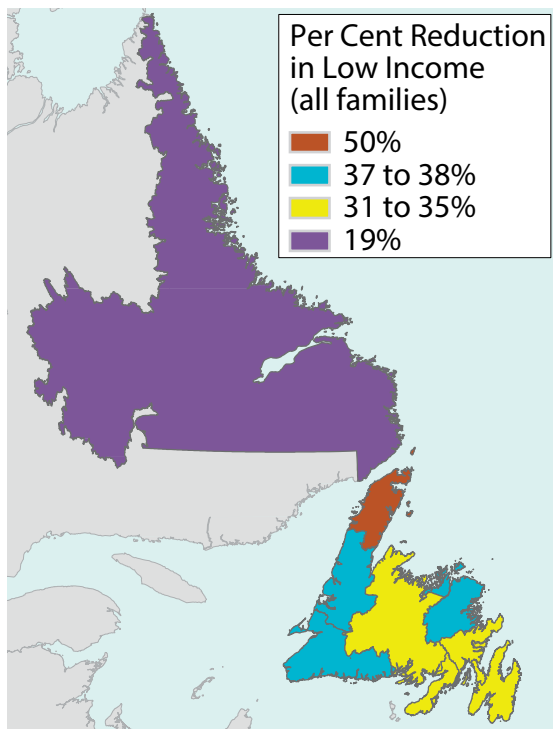
Figure 4. Income Support Caseload (2003-2013)



Source: Advanced Education and Skills, Special Tabulation. Includes any families or individuals who received benefits from the Income Support program at any point during the year.

- Median Family Income has increased 26 per cent from \$47,900 in 2003 to \$60,300 in 2011.
- The Jobless Family Rate, that is the percentage of families in which no one is working, has fallen from 14.9 per cent in 2003 to 12.5 per cent in 2011.
- For students from low-income families beginning university Fall 2014 Newfoundland and Labrador remains the most affordable province on the Cost of Learning Index.
- As shown in Figure 3, Newfoundland and Labrador's Income Support caseload has greatly declined since 2003, from 36,700 to 29,650 in 2013. This is the smallest Income Support caseload the province has ever had.

Figure 5. Per Cent Change in Incidence of Low Income for All Families by Rural Secretariat Region, 2003 to 2010, NLMBM, Newfoundland and Labrador



Source: Department of Finance, Newfoundland and Labrador Statistics Agency, Community Accounts

- As Figure 4 shows, incidence of low income has decreased in all areas of the province.

Action Plan Progress

Reducing Poverty: An Action Plan for Newfoundland and Labrador is a bold and ambitious plan. The action plan sets out a comprehensive and integrated approach that has been praised throughout the country. The strategy has been built over time through an incremental series of investments aimed at helping people living with or vulnerable to poverty succeed and become self-reliant.

This progress report provides an update and overview of the work that has been achieved in support of the five goals and twenty objectives in *Reducing Poverty*. The goals and objectives were based on the key directions to prevent, reduce and alleviate poverty, the input received during consultations and the research undertaken. This section gives a high-level overview of each goal and outlines the key investments that have been implemented to meet each objective. Many of the initiatives brought forward through the strategy support more than one goal or objective. To avoid repetition, initiatives are placed under the goal and objective to which they have the strongest or most direct link.

Forefront for Poverty Reduction

“The 2006 Poverty Reduction Strategy has put Newfoundland [and Labrador] at the forefront for poverty reduction progress in Canada. Since implementing the Poverty Reduction Strategy in 2006, Newfoundland [and Labrador] went from being one of the provinces with the highest levels of poverty to one with the least”.

www.makepovertyhistory.ca, March 2014

The five goals are:

1. Improved access to and coordination of services for people with low income
2. A stronger social safety net
3. Improved earned incomes
4. Increased emphasis on early childhood development
5. A better educated population

1. Improved access to and coordination of services for people with low income

The Government of Newfoundland and Labrador has been working to improve access and coordination of services for people vulnerable to poverty. The overall approach of the Poverty Reduction Strategy encourages a more integrated approach to policy development. Working with community groups and people living in poverty strengthens policy development by ensuring real life experience of people with low incomes informs program and policy design. Working closely with all government departments and agencies is improving the coordination of programs and services designed to help and support people vulnerable to poverty. Analysis of combined impacts of programs, including eligibility requirements and effective marginal tax rates, ensures individual programs have their intended positive impacts, and minimizes negative unintended consequences on people with low incomes.

1.1 Increased capacity within Government to support an integrated and coordinated approach

- The Poverty Reduction Ministerial Committee consists of 11 ministers from across government. This committee guides the work of the strategy and is supported by a Deputy Ministers' Committee. The Interdepartmental Working Group consists of senior representatives from 13 government departments and agencies. This government-wide structure supports the

integrated approach of the strategy by ensuring departments are working collaboratively and making connections to address complex issues.

■ The Poverty Reduction Strategy is closely connected to several other strategies and working groups including:

- The Interdepartmental Advisory Committee for the Supportive Living Program;
- The Provincial Wellness Plan;
- The Provincial Strategy for the Inclusion of Persons with Disabilities;
- The Interdepartmental Steering Committee and Working Group on the Early Childhood Learning Strategy, Learning from the Start;
- The 10-Year Child Care Strategy;
- The Provincial Healthy Aging Policy Framework;
- The Violence Prevention Initiative;
- Close to Home: A Strategy for Long-Term Care and Community Support Services; and,
- The Northern Strategic Plan.

■ The Newfoundland and Labrador Market Basket Measure (NLMBM) is a measure of low income designed

PRS Ministerial Committee

Minister of Advanced Education and Skills

- Minister Responsible for the Status of Persons with Disabilities
- Minister Responsible for the Newfoundland and Labrador Housing Corporation

Minister of Finance

Minister Responsible for Labrador and Aboriginal Affairs

Minister Responsible for the Office of Public Engagement

Minister of Health and Community Services

Minister of Education

Minister of Justice

Minister Responsible for the Labour Relations Agency

Minister of Child, Youth and Family Services

Minister of Innovation, Business and Rural Development

Minister Responsible for the Status of Women

by the Newfoundland and Labrador Statistics Agency specifically for the province. By using income tax data rather than survey data, it provides a more reliable assessment of low income than national measures such as Low Income Cut-Offs and Statistics Canada's Market Basket Measure. For more on these measures, please see Appendix III. The NLMBM allows for analysis at the community and neighborhood level and for family type, age and gender. This measure allows for the development of more targeted initiatives to help prevent, reduce and alleviate poverty in Newfoundland and Labrador.

- Newfoundland and Labrador Housing Corporation (NLHC) funds the Navigators and Networks initiative, NAVNET through the Poverty Reduction Strategy. NAVNET is led by Eastern Health. It brings together senior government representatives from several different departments and agencies (including Advanced Education and Skills; Child, Youth and Family Services; Health and Community Services; Justice; NLHC; Eastern Health's Mental Health and Addictions Program, and the Community Supports Program) as well as community organizations, such as Stella's Circle and Choices for Youth, to address systemic barriers experienced by individuals with multiple and complex needs in St. John's.

1.1 Other Supporting Government Actions:

- The Provincial Government (including representatives from NLHC, Advanced Education and Skills, Health and Community Services, Child, Youth and Family Services, Justice and the Office of Public Engagement) participates in Community Advisory Boards (CABs). CABs are groups of representatives from municipal, provincial and federal departments and agencies and community-based service providers, who are committed to working collaboratively on issues related to housing and homelessness.
- The Community Career and Employment Partnership Project (CCEPP), which is funded by Advanced Education and Skills, links community-based agencies that are funded by the Department to deliver career and employment programs and services on the Avalon Peninsula. CCEPP encourages the sharing of information and professional expertise around

career and employment services to help support their clients, many of whom often face a variety of barriers such as: lack of education, poor communication skills, language barriers, low self-esteem, and criminal records. (visit: www.ccepp.ca)

- A Corrections and Mental Health Working Group was established by the Department of Justice in 2012. It is comprised of representatives from Adult Custody with the Corrections and Community Services Division of the Department of Justice, mental health and addictions staff from Health and Community Services and representatives from the Regional Health Authorities. The focus is to address barriers to mental health and addictions services for individuals in conflict with the law, prior to, during, and after incarceration.

1.2 Improved access to existing programs and services for people with low income

- The Poverty Reduction Strategy Division developed the *Guide to Government of Newfoundland and Labrador Programs and Services for Individuals and Families*. This guide provides information on more than 80 Provincial Government programs and services that are of particular relevance to people with low income. It is available online, in print and in alternative formats. This guide has been very popular with people in low income who are looking to improve their situations, as well as community-based groups that assist low-income individuals and families access government and community-delivered programs and services. www.aes.gov.nl.ca/poverty/guidebook/guide_to_gov_programs_and_services.pdf

- The Department of Advanced Education and Skills provides annual funding to the Community Sector Council NL for the Vibrant Communities-St. John's initiative. Vibrant Communities-St. John's is a multi-sector community-based initiative that works collaboratively with community groups, all levels of government, businesses and especially with people who live with low income to reduce poverty. A signature piece of work for the Vibrant Communities-St. John's initiative is the Citizens' Voice Network. It provides a solution-based discussion forum for people with low incomes. The forum is an avenue for members to have face-to-face discussions with representatives from service providers and to have input into shaping policy through engagement with various government agencies, including the Poverty Reduction Strategy. Currently there are about 100 community voices in this group and it is growing.

Newfoundland and Labrador Housing Corporation's mandate is to develop and administer housing assistance policy and programs for the benefit of low to moderate income households throughout the province. In addition to providing social housing and other housing-related supports, it also

Citizens' Voice

"Citizens' Voice is a welcoming place, all of the members are there for the same reason, we are all living in poverty and we are all there to look for solutions.

When you go there you can sit down and voice your opinions and hopefully bring the community together to make things better and support each other.

What I really like about Citizens' Voice is that we cover so many different areas, any kind of situation that you want to keep on top of you can do it there; it is a place where you can really get things done. It certainly has helped me, and for the first time in a long time I feel like we are making progress."

—Heather Lyon
Citizens' Voice Member, May 2014

promotes community development in social housing neighbourhoods through supporting community and neighbourhood centres.

- Annual funding for the eight Community Centres in Newfoundland and Labrador Housing Corporation's neighbourhoods has been increased by \$792,000 to a total of \$1,434,000. These centres support over 1,800 households and provide health, employment, education, social and recreational programming. In 2012/13 they offered 4,815 programs to 3,785 tenants and 837 non-tenants.
- In 2011, an additional \$100,000 was added to the annual budget for Newfoundland and Labrador Housing Corporation Neighbourhood Centres for a total budget of \$150,000. This funding permitted the hiring of a part-time coordinator at each of the ten Neighbourhood Centres. Working from a community development perspective, the coordinators assist tenant groups by bringing residents together for events, making referrals to various community programs and services and identifying funding opportunities. These Neighbourhood Centres support approximately 900 families in smaller neighbourhoods in St. John's, Burin, Grand Falls-Windsor, Corner Brook, Stephenville and Happy Valley-Goose Bay. This additional funding has resulted in increased participation by local tenants in Neighborhood Centre, government and community-based programs.
- The Newfoundland and Labrador Housing Corporation's approach to supporting clients with complex needs involves a coordination of services across government and community. Stable housing is an individual or

Positive Impact

"My son has gained so much from the programs at the [Newfoundland and Labrador Housing Corporation Community] Centre over the years. He has gained a strong sense of community closeness and involvement. The Centre programs and services are the thing that makes a positive impact in our children's lives"

—Amanda, Newfoundland and Labrador Housing Corporation tenant
May 2014

household's first and primary need as they attempt to address other issues in their lives. Supportive living builds on the need for stable housing by providing those supports people need to maintain that housing and to prevent and reduce homelessness as a result. It requires linking and coordinating services across government and between community support systems for individuals with complex needs. Some initiatives that help promote supportive living include:

- The Supportive Living Program (SLP) is a \$5.3 million initiative funded through the Poverty Reduction Strategy. The SLP provides financial support to community-based organizations for a range of services and supports in a coordinated manner, focused on housing and homelessness for people with complex needs. In 2012/13, there were 27 community-based initiatives that provided services to more than 1,600 people.
- The Provincial Homelessness Fund of \$1 million provides funding to registered non-profit organizations. Since 2009, it has been providing funding to promote housing stability and greater self-reliance for those at risk of homelessness. There were more than 30 grants awarded between 2012/13 and 2013/14.
- Newfoundland and Labrador Housing Corporation has created an additional position to help individuals with complex needs find private accommodation, often in conjunction with NLHC's Rent Supplement Program.

"Program with a Roof" is the Supportive Living Project operated by the Mokami Status of Women Council. This project maintains eight apartments for women who were homeless or near homeless and have complex needs. The program helps participants address the root causes that led to their homelessness, thereby increasing their likelihood of being able to maintain an apartment in the future. See page 51 for more details.

- The Women's Policy Office provides funding for eight Women's Centres throughout the province. Since 2006, this funding has been increased to \$552,000 through the Poverty Reduction Strategy for a total of \$1,021,000. These centres provide advice to women and help them access the programs and services they need. In 2012/13 the Women's Centres offered approximately 50 programs to over 5,000 women and girls throughout the province.
- The Department of Tourism, Culture and Recreation provides funding for Kidsport and the Canadian Tire Foundation for Families Jumpstart program. The funding for Kidsport through the Poverty Reduction Strategy was increased by \$35,000 bringing the total investment up to \$85,000. In 2013, more than 220 children from 32 communities received support to participate in 12 different sports. The funding for the Canadian Tire Foundation for Families Jumpstart program has been increased by \$350,000. In 2013, more than 5,400 children in Newfoundland and Labrador benefited from this program, which assists children and youth to access recreational activities in a non-stigmatizing way.

1.2 Other Supporting Government Actions:

- The Departments of Tourism, Culture and Recreation and Health and Community Services provide funding for the After School Physical Activity (ASPA) initiative which supports school-community partnerships. These partnerships result in increased opportunities for children in grades four to nine to be physically active. Initiatives funded through ASPA must address barriers, such as cost and transportation, that prevent children and youth from accessing sport and recreation activities. This program funded 25 initiatives across the province in 2012/13.

1.3 Development of tools for ongoing analysis of combined impacts of programs, including tax implications, to avoid unintended impacts

- As discussed earlier, the Newfoundland and Labrador Market Basket Measure, a Newfoundland and Labrador-specific measure of low income was launched as part of the Poverty Reduction Strategy by the Newfoundland and Labrador Statistics Agency. This measure allows for community level and sub-group (e.g. family type, gender, age groups) analysis of low income. The NLMBM is helping government better align policies and programs to address poverty. This valuable research tool is available on Community Accounts at: nl.communityaccounts.ca.
- The Department of Finance continues to refine ways to analyze combined impacts. The tax system, means-tested, and income-tested benefits can interact with one another in complex ways and may result in unintended impacts for people with low incomes. Work in this area is necessary to ensure that individuals and families with low incomes do not lose more than they gain through changes in government policy or by participating in programs to increase their employment earnings.
- A significant issue for Income Support clients had been that the benefits they lost by going to work often had a greater value than the wages they earned. As a result they could end up being worse off by going to work. Through coordinated work of the Poverty Reduction Strategy and increased understanding of combined effects of benefits across departments, significant progress has been made in removing barriers and disincentives to work. More than 14,800 Income Support clients went to work between 2006 and 2013, supported by a set of poverty reduction initiatives developed to ensure that it makes financial sense to go to work. Employment is the best path out of poverty.

1.4 Work with Aboriginal people to improve their quality of life

- Since 2010/11, the Women's Policy Office has been providing \$100,000 annually to the Newfoundland Aboriginal Women's Network (NAWN). NAWN supports Aboriginal women by providing education, training and cultural awareness opportunities. Its activities help empower Aboriginal women to become more self-sufficient and address issues such as poverty and violence in their communities and homes in ways that are culturally-sensitive.
- Through the Poverty Reduction Strategy, Newfoundland and Labrador Housing Corporation funded four new social housing units in Hopedale. The construction of these units was completed in December 2012 and they have been occupied since that time. Four new social housing units were also built in Nain which were completed and occupied in February 2012.
- The eligibility for the Income Support program's Cost of Living Allowance was expanded to all those receiving Income Support who maintain a residence in coastal Labrador. Previously, only families with children were eligible. This allowance is provided in recognition of the higher cost of living in coastal Labrador. In 2013/14 an average of 210 individuals and families received this benefit each month.
- The Government of Newfoundland and Labrador delivers the Air Foodlift Subsidy (AFS) program through the Labrador and Aboriginal Affairs Office to communities on the north coast of Labrador and Black Tickle. This service is offered year-round to help offset the cost of air freight

Community engagement

Minister O'Brien in Nain with Nunatsiavut Government President Leo visiting homes to discuss housing affordability and accessibility issues.



on fresh milk and perishable food items such as fruits and vegetables. Improvements to the transportation system have warranted changes to the AFS program. In 2010, the Province introduced year-round marine service from the Labrador Straits to the island. This has allowed the AFS to be used in Labrador's south coast and straits only when marine service is not available for an extended period of time.

1.4 Other Supporting Government Actions:

- An Aboriginal Consultation Policy was published in April 2013 to guide and facilitate consultation on land and resource development decisions in Newfoundland and Labrador. This policy ensures consultation processes are developed in a way that maintains, fosters and improves effective working relationships among Aboriginal governments and organizations.
- In 2009 and 2012, the Government of Newfoundland and Labrador provided funding to the Labrador Aboriginal Training Partnership to enhance the education, training and skill levels of Aboriginal people living in Labrador in order to maximize their participation in the Lower Churchill Project. This partnership is between Nalcor Energy - Lower Churchill Project and three Aboriginal groups: the Innu Nation, the Nunatsiavut Government, and the NunatuKavut Community Council, Inc.

2. A stronger social safety net

There are times when people have difficulty supporting themselves and their families. There are also individuals and families who are vulnerable to poverty for reasons such as disability, addictions, other health issues, family violence or other circumstances. A strong social safety net helps individuals and families through difficult times. It helps break the cycle of poverty by supporting people to develop to their full potential and participate in their communities. Initiatives to ensure a strong social safety net are an important part of the Poverty Reduction Strategy because they alleviate poverty and its negative effects, such as social exclusion, extreme inequality and the

intergenerational cycle of poverty. Initiatives funded through the strategy include increased supports for persons with disabilities, enhanced supports in the justice system, increased access to affordable housing, improved access to necessities for people vulnerable to poverty, and increased Income Support rates.

2.1 Increased disability supports to enable people with disabilities to participate fully in society

- Ongoing annual funding for the new financial assessment process for the Home Support and Special Assistance Programs within Health and Community Services was increased by \$15.3 million between 2009 and 2010. Currently, the Home Support Program provides subsidized services to more than 3,300 adults with disabilities and 4,000 seniors each year. The Special Assistance Program supports more than 11,000 individuals annually through the provision of subsidized medical supplies and equipment. In addition, the monthly personal allowance was increased by \$25, bringing it to \$150, benefiting approximately 10,000 individuals who either are paid a personal allowance or are permitted to retain the \$150 from their income.
- In 2007, the Department of Health and Community Services changed the Family Board and Lodging Supplement to allow adults with disabilities living with family members (child, parents, grandparents) to receive the same board and lodging supplement as those living with non-relatives. In 2012/13, almost 2,000 individuals benefited from this change. Through the Poverty Reduction Strategy, the program's budget was increased by \$6.5 million annually.
- The Special Child Welfare Allowance program helps families that have additional costs associated with caring for children with developmental or physical disabilities. Registered Education Savings Plans and Registered Retirement Savings Plans are no longer considered assets when determining eligibility for this program. This policy change is supported by a budget of about \$100,000 annually, with the total program budget being

\$3.3 million. Approximately 300 families benefit from this program each year.

2.1 Other Supporting Government Actions:

- The Strategy for the Inclusion of Persons with Disabilities, *Access. Inclusion. Equality.* was released in 2012. This strategy is a framework to support action towards making everyday activities accessible and inclusive.
- The Provincial Advisory Council for the Inclusion of Persons with Disabilities was formed in 2009 and is composed of up to 18 members appointed by the Minister Responsible for the Status of Persons with Disabilities. The Council advises and informs the Minister on matters concerning persons with disabilities in Newfoundland and Labrador.
- The ten-year *Close to Home* strategy was released in June 2012. The strategy is focused on helping people requiring long-term care and community support services achieve optimal independence and quality of life in their homes and communities.

2.2 Enhanced justice system supports for vulnerable people

- Family Justice Services assists families in resolving separation issues, placing emphasis on the best interest of the children. The program provides parent information sessions on parenting after separation and general family law information. It also provides mediation in cases of custody, access, and child support, and the recalculation of child support. Counselling services may also be available for children and their families as determined by Family Justice Services. Funding of \$921,400 through the Poverty Reduction Strategy has enabled Family Justice Services to

grow from a pilot in one region to a provincial program with 12 sites across the province.

- Funding for Civil Legal Aid has been increased through the Poverty Reduction Strategy by \$500,000 annually for a total budget of \$5,762,880. This increase in funding helped more than 110 families access family and civil Legal Aid services in 2012/13.
- Legal Aid established a Child, Youth and Family Services team in the Western Region to improve the quality and effectiveness of Legal Aid services for children and parents in child protection cases. This team provided services to more than 115 families in 2012/13. This initiative receives \$240,000 annually through the Poverty Reduction Strategy.
- The Mental Health Office of the Legal Aid Commission is a specialized office dedicated to providing quality legal services to individuals with complex mental health issues. When first established, this Office offered services to clients requiring criminal law assistance. Increased annual funding of \$125,000 through the Poverty Reduction Strategy in 2009 enabled this office to expand its service to include civil law assistance for client groups with complex mental health issues. More than 70 individuals benefited from this initiative in 2012/13.

2.2 Other Supporting Government Actions:

- In June 2010, the *Human Rights Code* was repealed and replaced with the *Human Rights Act, 2010*. The new legislation provides a wide range of new protections while also increasing the efficiency of the complaints process of the Human Rights Commission. Highlights of the *Human Rights Act, 2010* include an expanded definition of disability which is consistent with other jurisdictions in Canada; the removal of the age of 19 years for employees to file complaints; the clarification that discrimination on the basis of pregnancy is prohibited; the prohibition of discrimination on the basis of criminal conviction by an employer when it is unrelated to the employment; and the broadening of the definition of marital status. In December 2013, the *Human Rights Act, 2010* was amended to expressly

include gender identity and gender expression as prohibited grounds for discrimination.

- The Royal Newfoundland Constabulary (RNC) assigned a current police resource to serve as a Domestic Violence Coordinator in 2012 to analyze calls and conduct risk assessments, research best practices, meet with local stakeholders and make recommendations for changing the way the RNC responds to domestic violence.
- In 2009, the Department of Justice, in partnership with the Department of Health and Community Services and the Canadian Mental Health Association of Newfoundland and Labrador, established the Justice Project at Her Majesty's Penitentiary. This project targets inmates who have been diagnosed with a mental illness and have a variety of complex needs. Participants receive in-reach mental health counseling and supports and intensive case management. Additionally, a needs assessment is conducted for each participant to ensure appropriate community supports and services are in place upon release. All inmates with serious mental health issues are offered this programming.
- Adult Custody has implemented transition supports for offenders who are completing their period of incarceration and preparing to transition back into the community. These supports include federal and provincial programming in the areas of education, addictions, mental health, employment training, life skills and cognitive skills. Additionally, gender-based and culturally-based programming are available.

2.3 Increased availability of affordable housing

- Newfoundland and Labrador Housing Corporation created a Rent Supplement Program to provide financial help to low income households that are waitlisted for Newfoundland and Labrador Housing units or for whom Newfoundland and Labrador Housing units are not suitable. The program extends social housing rates to units owned by private landlords. This both increases the number of units available and provides a greater range of housing options. In 2012/13, over 1,700 households received an

average monthly supplement of \$400 a month per household. As of 2013, the funding for this initiative has been increased by \$4 million through the Poverty Reduction Strategy for a total investment of \$8 million.

- Between 2006 and 2010, Newfoundland and Labrador Housing Corporation's rent-geared-to-income (RGI) formula changed to a flat 25 per cent of income for all social housing tenants and is applied to net rather than gross income. This provides an average savings of \$50 per month.
- Annual funding for the Income Support Program's additional assistance for shelter rate has been increased by more than \$6.7 million since 2006. This funding provides additional support on a case-by-case basis to respond to specific housing needs such as disability, family size, and high rental rates. As of January 2014 more than 8,617 renters and 239 individuals with mortgages were receiving additional assistance for shelter.

2.3 Other Supporting Government Actions:

- The Home Heating Rebate is available through the Department of Finance to residents of the province with low incomes who have incurred the costs to heat their home, regardless of energy source purchased. Eligible

Fred is a 72-year-old widower living in a two-bedroom Newfoundland and Labrador Housing Corporation apartment. Fred fished his whole adult life and relies on Old Age Security and the Guaranteed Income Supplement. In 2003, Fred would have had an annual income of about \$15,949 from all sources. Thanks in part to initiatives brought forward by the PRS, in 2014 Fred's total income will have increased to approximately \$18,500, an increase of over 16 per cent. (Amounts are in 2014 dollars and therefore incorporate inflation.) See page 57 for more details.

households received a maximum rebate of \$250 (\$500 coastal Labrador) during the 2013/14 heating season.

- Since 2010, the Provincial Government has invested \$65 million for a new student residence complex at Memorial University's St. John's Campus which provides affordable accommodations for 500 students. Government also invested \$23.3 million for a new student residence at Memorial's Grenfell Campus in Corner Brook which houses 200 students. Not only do these new residences provide healthy, safe and affordable accommodations for students, they also free up private rental spaces, helping alleviate housing pressures in these cities.
- To support an affordable, safe and healthy living environment for students, government has also invested \$45 million in upgrades to St. John's Campus residences and \$500,000 to Grenfell Campus residences since 2010.

2.4 Improved access to necessities for people most vulnerable to poverty

- In 2007, the Department of Health and Community Services expanded the Newfoundland and Labrador Prescription Drug Program (NLPDP) to cover people working for low wages. This removes a major financial disincentive for Income Support clients to go to work and supports those working for low wages. This program provides coverage to about 46,000 additional people annually, including low-income earners and their families and individuals and families with high prescription drug costs relative to their income. The NLPDP receives an additional \$27 million annually through the Poverty Reduction Strategy.
- In 2012, the Newfoundland and Labrador Dental Plan expanded eligibility to adults with low incomes. Poor oral health has a negative impact on overall health, social interactions, confidence and employability. This expansion is in addition to the 2007 Poverty Reduction Strategy initiative that expanded dental services to youth aged 13 to 17 in families receiving Income Support. In 2012/13 more than 700 youth and more than 24,500

adults benefited from these expansions. The adult dental plan receives \$6.1 million and the youth component receives \$100,000 annually through the Poverty Reduction Strategy.

- Through the Poverty Reduction Strategy, the Department of Health and Community Services supports the Kids Eat Smart Foundation. The Foundation supports 'Kids Eat Smart Clubs' which provide healthy food for school-aged children. Kids Eat Smart receives \$1 million annually through the Poverty Reduction Strategy. In the month of December 2013, this program supported more than 20,500 meals in 212 schools and 20 community centres. Principals and teachers report that children who participate are more engaged in the classroom and ready to learn.
- The Department of Child, Youth and Family Services expanded the *Supporting Youth with Transitions* pilot program from Central Newfoundland across the province in October 2013. Between October and December 2013, there were 25 youth that benefited from this program. The participants, who are young people receiving services from the Department of Child, Youth and Family Services, have the opportunity to get additional help in preparing for adulthood. Recognizing the unique challenges faced by this population of youth as they age, this program ensures that they are provided with enhanced supports and services needed to successfully make the transition to early adulthood. Life Skills Coordinators, located throughout the province, work directly with the youth to identify and address their life skills needs, focusing on areas such as

Kids Eat Smart

[Kids Eat Smart is] "One of the best programs I have seen creating a positive atmosphere socially and academically. As well, it involves outside partners to come to our school and contribute."

—School Principal, Kids Eat Smart Foundation Annual Report 2011-12

daily living and self-care, relationships and communication, housing and financial management, and career and education planning.

- The Department of Health and Community Services provides operational funding of \$816,000 through the Poverty Reduction Strategy for O'Shaughnessy House in Carbonear. This transition house not only provides safe and secure shelter for women and their children who have left abusive environments, but also offers individual support and encouragement. In 2013/14 more than 45 women and 20 children stayed at this transition house and 31 per cent of these women and 45 per cent of the children stayed there multiple times. There are a total of ten transition houses in the province with a budget of \$5.9 million. Approximately 630 women and 340 children stayed in transition houses in the province in 2012/13.
- Twenty Youth Outreach Workers have been hired by the Department of Health and Community Services throughout the province to support youth addiction, prevention and early intervention. This initiative receives \$1.27 million through the Poverty Reduction Strategy. In 2012/13 outreach workers were in contact with more than 15,000 youth and made more than 1,100 referrals to other programs and services.

In 2003, David and Shauna, parents of two children, wanted to work. David had some health issues that had stabilized and felt well enough to work. When they explored options, they decided it made more sense to continue receiving Income Support because of all the increased costs and loss of benefits. Prior to the Poverty Reduction Strategy, if the family had left Income Support they would have faced over \$7,000 in additional costs (prescription medication, dental costs, child-care costs, textbooks and school fees). Thanks to changes brought in through the Poverty Reduction Strategy, David and Shauna do not face these barriers to employment: In 2014, these costs have been reduced from \$7,000 in 2003 to \$350. (Details on pages 53-54).

2.4 Other Supporting Government Actions:

- The Poverty Reduction Strategy is closely linked to the Department of Health and Community Services' Wellness Plan. This plan focuses on the social determinants of health, particularly those that help to reduce inequalities in health. The Provincial Health and Wellness Grants Program provide one-time funding to community-based organizations and communities towards the cost of projects that support healthy living and wellness. Over 100 community groups and not-for-profit organizations received grants in 2013/14, with a total Provincial Government investment of \$700,000 for 70 Health and Wellness Grants and 30 Age-Friendly Grants.
- The Age-Friendly Newfoundland and Labrador Transportation Pilot Project has a budget of \$1.3 million for 2013 to 2015 in the Department of Health and Community Services. The pilot funds five groups in different parts of the province to provide affordable and reliable transportation to older adults and those with mobility challenges for such things as medical and banking appointments, social activities and grocery shopping.
- The Medical Transportation Assistance Program was enhanced in 2010 to provide assistance to individuals and families travelling by private vehicle to access specialized insured medical services not available within their area of residency.

2.5 Increased Income Support rates

Income Support is a program of last resort and the foundation of the social safety net. It provides families and individuals in need with financial assistance for basic expenses including food, clothing and shelter.

- Between 2006 and 2013, the average cumulative increase in basic individual and family Income Support benefit rates was 18.6 per cent.
- Other Income Support benefits have also seen increases since 2006, including the benefits covering eye exams, glasses and dentures, as well

as the Special Diet Allowance. More than 36,000 Income Support clients have benefited to date from these changes.

■ Other changes to the Income Support program include:

- The requirement for people receiving Income Support to apply for Canada Pension Plan (CPP) benefits at age 60 was eliminated. This allows Income Support clients to wait until they are 65 to apply for CPP which results in a higher benefit level.
- The liquid asset level for all single individuals was increased from \$500 to \$3,000 and from \$1,500 to \$5,500 for families of two or more people. By raising the liquid asset levels, clients have more capacity to retain savings while maintaining their eligibility for ongoing support. This can reduce a client's vulnerability to sudden expenses and provides an incentive to work because clients have a greater capacity to save what they earn.
- The Income Support program changed the policy that clients renting from relatives received less assistance than those renting from non-relatives.

3. Improved earned incomes

Helping people join and remain in the workforce has been a priority for the Poverty Reduction Strategy. A key area has been removing financial disincentives and other barriers to employment for people receiving Income Support, particularly single parents, single people, people with disabilities and women leaving violent relationships. An additional focus has been on increasing supports for low-wage earners. Education levels and level of earned income are closely related. Therefore, the goal of “improved earned incomes” is closely linked to Goal 5: A better educated population.

Since the Poverty Reduction Strategy began, there has been a significant decline in the number of people reliant on Income Support. In 2014, there are fewer people requiring benefits than ever before, in part because it now makes economic sense to leave Income Support for employment. Certain benefits, such as the prescription drug and adult dental programs, are no longer tied to the Income Support program and are available to anyone with low income.

Further, a number of policy changes for those working and receiving Income Support benefits have supported and improved employment outcomes.

In addition to having the lowest rates of Income Support usage in the history of the province, the unemployment rate for Newfoundland and Labrador for 2013 was the lowest ever recorded. In 2013, it was 11.4 per cent, down from 16.4 per cent in 2003. The wage gap between men and women has also narrowed. In 2011 women earned 68 per cent of what men earned compared to 60 percent in 2007. While this gap is still unacceptable, it is worth noting that Newfoundland and Labrador has moved above the national average gender wage gap of 67 per cent. In addition to these significant changes, there have also been substantial increases to median family income and average earnings as well as a decline in the number of families that have no one working (the Jobless Family Rate, see Appendix III for more detail).

There are still many people in the province who face barriers that limit their ability to work. Additional supports are required for people with visible or non-visible disabilities, low literacy and numeracy skills, limited or no direct work experience, complex needs including homelessness and addictions, lack of social or life skills, as well as for victims of violence. While further improvement is necessary, the noted positive changes show the province is on the right path.

3.1 Fewer barriers to work and greater support for low-income workers

- The Government of Newfoundland and Labrador has taken a number of benefits that were tied to Income Support and made them so that all people with low incomes can benefit, including those working for low wages. The two largest examples are the expansion of the Newfoundland and Labrador Prescription Drug Program (NLPDP) and the Adult Dental Program to those working for low wages. To date, 46,000 people who would not have previously qualified for the NLPDP have qualified and more than 24,500 benefited from the changes to the Dental Program in 2013/14.

- In 2012, the Earned Income Supplement (EIS) for single parents receiving Income Support was expanded to all working single parents receiving Income Support. Previously it had been tied to participation in certain employment programs for single parents. The EIS is a financial incentive for single parents receiving Income Support to obtain and maintain employment. It provides a financial benefit, up to a maximum (of \$348 per month), that increases with earnings and then is phased out. As of December 2013, there were 370 single parents receiving the EIS with an average additional increase in after-tax income from earnings and the EIS of \$580 a month.
- The Income Support Program's "claw back" on the refunds that clients receive from tax returns was eliminated. Approximately 1,200 Income Support clients are benefiting annually from this change, most of whom receive a refund because they had employment income.
- More than 1,330 people receiving Income Support received the Job Start Benefit of \$125 for single people and \$250 for people with dependents in 2013/14. This benefit assists clients in making the transition from Income Support to employment. Since 2006, about 45 per cent of clients who have been issued a Job Start Benefit have not returned to the Income Support program.
- In recognition of the initial costs of going to work, the Income Support program now allows clients who go to work to keep their full Income

Elizabeth, a single parent of two children, would not have been better off financially by working in 2003. She was able to go to work in 2009 because of changes in policy and programs made through the Poverty Reduction Strategy. This greatly improved the quality of life of her and her children. Her income increased from less than \$24,000 in 2003 on Income Support to over \$40,000 in 2009 while working. In 2014 her income would be almost \$46,000. (Amounts are in 2014 dollars and therefore incorporate inflation.) See pages 58-59 for more details

Support benefits for the first 30 days of employment, regardless of income. More than 800 cases per year have received these overlapping benefits.

- Increased earnings exemption rates allow those receiving Income Support to keep 20 per cent of their earnings in addition to the ongoing flat rate exemption of \$75 for single people and \$150 for those with dependents. This encourages individuals to increase their earnings beyond the flat rate exemption level if they have the opportunity to do so. In 2013, almost 2,000 individuals worked while also receiving Income Support benefits. Income Support clients with disabilities who require supportive services receive a higher flat rate exemption to recognize the cost associated of working with a disability. This has been increased from \$95 to \$150 for single people and \$190 to \$250 for families. In 2013, about 180 of the 2,000 people who worked while receiving Income Support benefits were people with disabilities.
- As outlined in Goal 4: “Increased emphasis on early childhood development,” the Government of Newfoundland and Labrador, through its ten-year child care strategy, *Caring for our Future*, has increased subsidies available for regulated child care spaces and has increased the number of spaces available by 70 per cent since 2003. Having reliable, affordable, quality child care removes a serious impediment to employment and improves incomes for parents of young children, as well as provides developmental opportunities for children.
- The maximum monthly rates for private child care provided to Income Support clients who are working or in training was increased by \$75 a child per month. Private child care is essential for parents who work in the evenings and on weekends when regulated child care is usually not available. More than 445 Income Support cases received this increase in 2013.
- Several changes have been made to Newfoundland and Labrador Housing Corporation’s rent-geared-to-income (RGI) formula, resulting in lower rent for tenants of social housing with employment earnings. Changes include basing rental rates for tenants with employment earnings on net as opposed to gross income and a reduction of the rental rate from 30 per cent to 25 per cent of income. These changes lessen a financial disincentive for tenants of social housing to work and increase their income.

3.1 Other Supporting Government Actions:

- Amendments to *Labour Standards Act* were made in 2013 to help ensure that the jobs of parents are protected when they take leave to focus on their families in times of exceptionally challenging circumstances, such as dealing with a critically ill child, or with a crime-related child death or disappearance.

3.2 Greater supports for the development of employment skills

- In 2008, the high school curriculum was expanded to include course options in skilled trades as there is and will continue to be a high demand for skilled trades workers. There are more than 1,000 girls and 2,800 boys in high school participating in the Department of Education's Futures Skilled Trades and Technology Program each year with an emphasis placed on encouraging the participation of girls.

3.2 Other Supporting Government Actions:

- Government has committed over \$100 million in funding since 2007 to support initiatives outlined under the *Skills Task Force Action Plan* in the areas of apprenticeship, science and technology, programming, and training and infrastructure. As of 2013/14, about 90 per cent of the government action items outlined by the Skills Task Force have been completed or are under development.
- In 2011, the Department of Advanced Education and Skills introduced the Apprenticeship Wage Subsidy program. This program is designed to assist underemployed and unemployed apprentices in the skilled trades by providing a financial incentive to employers to help offset salary costs of hiring apprentices. In turn, it will also provide apprentices with the

opportunity to gain critical work experience, especially those who have traditionally faced barriers to employment, such as those in their first and second years of training, women, and persons with disabilities. More than 550 wage subsidies were awarded through this program in 2013/14.

- The Office to Advance Women Apprentices was created in 2009 to enhance employment opportunities in the skilled trades for women. This Office works collaboratively with government, industry, labour and other key stakeholders to work on having more women employed in skilled trades in the province.
- The Youth Apprenticeship Program is a work-training program where students gain paid work experience and a guaranteed seat in a post-secondary skilled trades program while completing high school. It is being piloted in nine schools in the 2013/14 school year.
- The Department of Advanced Education and Skills has developed a new employment assessment tool to determine the types and levels of employment services that individuals require to help them prepare for, obtain and maintain employment. This ensures people receive the right supports to be successful in the labour market.
- The Department of Advanced Education and Skills delivers a wide-array of programs and services to assist Newfoundlanders and Labradorians gain the skills and education they need to take advantage of employment opportunities in the province. The department delivers programs funded through various Canada-Newfoundland and Labrador Agreements, including the Labour Market Development Agreement, the Labour Market Agreement and the Labour Market Agreement for Persons with Disabilities. These agreements, along with provincial funding, resulted in a total investment of \$179 million in 2013/14 in employment and training programming to support over 19,000 individuals. In 2013/14 this included:
 - Over 8,200 individuals receiving supports to attend education and training programs;
 - More than 1,500 post-secondary and high school students being funded for summer employment jobs;

- Over 1,200 individuals participating in wage subsidies to help generate employment opportunities; and,
- More than 250 individuals attaining supports to help them create jobs for themselves by starting a business.

3.3 Greater supports for labour force participation and improved earnings from employment

- On July 1, 2010, Newfoundland and Labrador was among the first jurisdictions in Canada to have its minimum wage reach \$10.00 per hour. After a scheduled increase to \$10.50 in October 2015, the minimum wage rate in the province will have increased by 75 per cent in just ten years. In 2011, women made up 60 per cent of minimum wage earners.
- The Low Income Tax Reduction, a provincial personal income tax reduction for low-income individuals and families, was greatly enhanced by the Poverty Reduction Strategy in 2009. The Low Income Tax Reduction income thresholds are tied to the Consumer Price Index to ensure they keep pace with inflation. For the 2013 taxation year, the program eliminated provincial income tax for individuals with net income up to \$17,288 or for families with net income up to \$28,928. Partial tax reductions were received by individuals with net income up to \$21,056 and for families with net income up to \$34,590. Approximately 32,500 of tax claimants benefited from this tax reduction in 2012, with an average benefit of \$252 per person. Effective for the 2014 taxation year, the Low Income Tax Reduction income thresholds will be increased by \$1,000 for individuals and \$2,000 for families, over and above what they would have been under the indexation of the thresholds.

The Poverty Reduction Strategy includes initiatives to help people with disabilities pursue sustainable employment. Some of these initiatives include:

- Support for ten adaptive technology internships annually with the Independent Living Resource Centre in St. John's, Carbonear, Grand Falls-Windsor, Corner Brook and Happy Valley-Goose Bay per year. These internships help reduce barriers and enhance participants' skills

in adaptive technology. This initiative receives \$350,000 annually through the Department of Advanced Education and Skills.

- The Department of Advanced Education and Skills also provides \$250,000 through the Poverty Reduction Strategy to support work place accommodation, adaptation or assistive devices to enable persons with disabilities to participate in or maintain employment. Twenty-four people received supports through this program in 2013.
- Through the Poverty Reduction Strategy, the Department of Advanced Education and Skills also provides \$250,000 for school to work transition supports for high school students with developmental disabilities. This funding enables the provision of necessary supports to assist students with developmental disabilities in accessing summer/after-school work opportunities to ease the transition from secondary school to work or post-secondary training. In 2012/13 more than 45 people participated in this initiative.
- The Newfoundland and Labrador Government's Office of Employment Equity for Persons with Disabilities has implemented a Career Development Initiative for Agencies, Boards, Commissions and Crown Corporations to hire persons with disabilities. This initiative receives \$120,000 annually through the Poverty Reduction Strategy. This funding has supported 16 individuals to work in crown corporations, agencies,

Bradley, who is deaf and has cerebral palsy, considers the Internship Program he participated in through the Independent Living Resource Centre a key element in his success in becoming employed. During his Independent Living Internship he was responsible for creating alternative formats of documents for individuals who read in Braille and large print. He also coordinated volunteers to create podcast files. The Independent Living Internship had a positive impact as he learned more about the computer programs available to produce documents in alternate formats and he gained more confidence in his ability to interact with people. Bradley is now employed as a Sales Associate in the Electronic Department at Target where he is responsible for customer sales and services as well as inventory control. See page 50 for more details.

boards and commissions to date. The Poverty Reduction Strategy also provides \$60,000 annually in support of the Opening Doors Program, an employment equity initiative that hires persons with disabilities within Provincial Government departments. In 2013/14, there were 82 full-time permanent Opening Doors positions throughout the province.

3.3 Other Supporting Government Actions:

- The province is working to increase the employment of women, persons with disabilities, Aboriginal people and visible minorities in higher income employment opportunities in natural resource projects. The Department of Natural Resources, in partnership with the Women's Policy Office and other government departments, has put in place requirements for operators to develop Gender Equity and Diversity Plans for all medium and large scale mining and energy projects. The plans include both quantitative and qualitative commitments designed to remove barriers and increase the participation rates of these groups. Special attention is focussed on increasing participation rates in higher paying professional and technical positions within each project. Government officials work with operators in the development of these plans, and progress is monitored on a regular basis. Examples of plans currently in place include the Hebron Project, Vale's Hydromet Project in Long Harbour, the White Rose Expansion Project and the upcoming Alderon Iron Ore Project.
- As mentioned earlier, the Labrador Aboriginal Training Partnership (LATP) is a partnership between Nalcor Energy - Lower Churchill Project and the Innu Nation, the Nunatsiavut Government, the NunatuKavut Community Council, Inc.
 - The first LATP (2009-2012) leveraged \$15 million in federal funding under the Aboriginal Skills and Employment Partnership Program and was largely related to increasing the work skills of individuals, and providing employment supports. In total, more than 970 people were assessed and over 2,000 interventions were completed, resulting in almost 400 Aboriginal clients obtaining employment.
 - The Department of Advanced Education and Skills has contributed approximately \$2.2 million for a second LATP training initiative

(2013-2015). As a result of the provincial investment and other partner contributions, LATP leveraged \$6.6 million from the federal government's Skills and Partnership Fund. This initiative provides Aboriginal learners with specific training skills required to work on the Lower Churchill Project. Approximately 200 Aboriginal people availed of training in nine programs funded through LATP from March 2013 to April 2014. As of March 2014, 24 students were enrolled in various post-secondary programs at the College of the North Atlantic with support through LATP. Additional training will commence throughout 2014/15.

- The Workforce Development Secretariat is responsible for the development and implementation of a government-wide Workforce Development Strategy to build strong partnerships with employers, educational and training institutions, and other relevant stakeholders; forecast labour market needs; allow for flexible responses to evolving demands; and to link development to municipalities to ensure benefits are spread throughout the province.

3.4 Establish an alternative to Income Support for youth which allows for a coordinated service specific to their needs

The Department of Advanced Education and Skills and the federal government funded the Youth Connect pilot project to explore alternative ways to support youth who apply for Income Support. This project proactively engaged new youth Income Support clients in employment-related activities. It targeted Income Support applicants who were between 18 and 30 years old and who had previously received less than 6 months of Income Support. Services provided focused primarily on career planning, skills development and job search. Financial assistance included funding for post-secondary programs not available to Income Support clients. Participants were also connected to supports to address their specific barriers, such as addictions and low literacy. An external evaluation of this pilot is currently underway and will provide insight into how to best enhance self-reliance of vulnerable youth who seek Income Support.

Advanced Education and Skills has implemented some of the early learnings from this pilot project. The department has trained staff in motivational interviewing, an approach that helps people to make positive changes in their lives, and that was first used by the department in the Youth Connect pilot. Frontline workers find this client-centered communication approach helps them better support clients. A new employment and training assessment tool has also been designed and implemented to ensure Income Support clients receive the supports they need to prepare, obtain and maintain employment.

3.5 Develop and expand employment skills programs for vulnerable groups whose needs are not currently being met

- Construction safety courses are now offered as a programming option in correctional institutions to help offenders reintegrate into society once they have served their sentences. This programming option replaces the National Employability Skills Program which has been discontinued. The new programming focuses on jobs that are in demand by offering a number of one-day certificate construction safety courses, such as Flag Person and Fall Protection. In 2012/13, there were 240 participants in these learning opportunities and they earned certificates that are nationally recognized.
- With support through the Poverty Reduction Strategy, the Department of Advanced Education and Skills offers programs to assist Income Support clients and others overcome barriers to joining the labour market. In response to local needs this includes:
 - The Employment Transitions program for single parents was expanded with an increase of \$525,500 annually through the Poverty Reduction Strategy. This funding supported an additional 30 single parents to participate in Employment Transitions in 2012/13. Approximately 12 single parents participate in the nine-week program which is offered at different times at different sites. Participants receive sessions on career planning, job readiness, job maintenance, and personal life skill management, and have access to individualized counselling. Participants are eligible to access an Earned Income Supplement when they start work. On the Burin Peninsula

the program is run by the Smallwood Community Centre. Employment Transitions is also available in Corner Brook and Grand Falls-Windsor. A similar program, the Single Parent Employment Support Program, is offered in St. John's by the Single Parent Association of Newfoundland.

- The Sector Skills Training program is a partnership between employers, training providers and the Department of Advanced Education and Skills and is designed to meet the labour needs of specific industry sectors. The program provides employers with trained employees to meet labour demand. Potential workers get valuable training and job experience, while employers get workers. In 2012/13, this program was offered in St. John's, Carbonear, Gander, Grand Falls-Windsor, Corner Brook and Stephenville to about 120 individuals.

Vibrant Communities

I am finally a student in school thanks to funding from the Poverty Reduction Strategy. My name is Julia and I am 22 years old. I have very little education; I finished school in the middle of the 9th grade. My life has been a roller coaster for quite some time.

In early December, Vibrant Communities helped me with making the big decision to go to school and start a new way of life. The forms [employment and training assessment forms] were filled out online to start the ABE [Adult Basic Education] program. I got accepted just before Christmas. It was exciting.

Today I am sitting in a classroom now for almost a month and I enjoy every minute of it. I am finally getting to learn and start my life again. Without funding I would still be doing nothing and wasting my life. I won't be finished with ABE until next year. After that I may want to go to an art school or something with hair design. It's great to know all of the supports that are available to me as I transition back to work.

—Citizens' Voice Member for 3 years, May 2014

3.5 Other Supporting Government Actions:

- Summer employment programs ensure that more youth from families receiving Income Support and other families with low-incomes gain work experience. In 2013, more than 1,550 high school and post-secondary students benefited from summer employment programs.

4. Increased emphasis on early childhood development

Research demonstrates that one of the best ways to prevent poverty and ensure all children develop to their full potential is to invest in the early years. Many factors contribute to the early learning experiences of children, including family income, levels of parental education, social connectedness and security. Such factors have implications on the early learning experiences of children and consequently to their success later in life.

The environment in which a child is raised has a great influence on a child's development. Living in conditions of poverty can compromise developmental opportunities for young children and have long-term negative effects such as low educational attainment, under or unemployment and poor health outcomes. Research shows that early experiences have a profound influence on brain development, school readiness, subsequent learning and future adult health.

The Provincial Government is providing additional supports to children, youth and families with an emphasis on vulnerable children and youth. Investments in early childhood development help children reach their full potential. Between 2003 and 2013, the Government of Newfoundland and Labrador has increased the number of regulated child care spaces by 70 per cent, from 4,609 spaces to 7,817. Significant investments have also been made to support parents and care-givers provide children with appropriate developmental activities and opportunities through the Learning from the Start strategy. Investments made through the Poverty Reduction Strategy to Family Resource Centres, Healthy Baby Clubs, Newfoundland and Labrador

Housing Corporation Community and Neighbourhood Centres also support families and create opportunities for children to grow and develop.

4.1 Strengthen the regulated early learning and child care system

- The Child Care Services Subsidy Program helps families with low incomes with their child care costs. Single parent families with a net income of \$27,480 per year and two-parent families with a net income of \$27,840 per year may be eligible for the full subsidy amount for regulated child care. Partial subsidy may be paid based on program criteria to eligible families earning above those amounts. The number of children from low-income families accessing subsidized child care has increased from 2,064 in 2009 to 2,386 as of December 2013.
- The Department of Child, Youth and Family Services provides Inclusion Supports to assist child care centres and family child care homes in accommodating all children in regular programming. As of December 2013, there were 120 children receiving inclusion supports.

Well-being and success

Learning in the first five years of childhood has critical implications for well-being and later success in school, at work, and in the community – more so than in any other stage of life.

—Report on the State of Learning in Canada, 2010, p. 4

- Ensuring child care is of high quality, as well as affordable and accessible, is critical to ensure the healthy development of young children. Initiatives to support an increase in high quality regulated spaces include:
 - The Early Learning and Child Care (ELCC) Supplement Program provides funding to eligible Early Childhood Educators (ECEs), Program Operators, and regulated Family Child Care Providers. ECEs receive a total annual supplement of \$6,660, and Program Operators receive a total annual supplement of \$10,000. This initiative receives \$3 million through the Poverty Reduction Strategy. As of September 2013, approximately 700 qualified individuals were receiving the supplement.
 - The Family Child Care Initiative (FCC) is comprised of two parts: increased funding for Start-Up Grants to regulated family child care homes and the introduction of a monthly Infant Stimulus Grant. The intent of the initiative is to increase the number of regulated family child care homes and encourage the establishment of family child care infant homes. This initiative is a part of the Early Learning and Child Care Capacity Initiative which supports the increase in the number of spaces in rural and under serviced areas of the province. FCC receives \$305,100 through the Poverty Reduction Strategy. It provides an opportunity for individuals to enter and remain in the labour market either by becoming a regulated family child care provider or by availing of regulated family child care spaces. The number of Family Child Care spaces has increased by over 400 since 2011 when this initiative was introduced.

4.1 Other Supporting Government Actions:

- The Department of Child, Youth and Family Services launched its ten-year child care strategy, Caring for our Future in 2012. This strategy complements the Poverty Reduction Strategy as well as other strategic initiatives of government. Caring for our Future outlines Government's commitment to achieve a well-developed system of high quality child care.
- Learning from the Start is Government's strategy for early childhood learning for children from birth to age six. It enhances early learning opportunities,

supports parental involvement and creates a smooth transition to school for all children and their families. Initiatives under this strategy include: early literacy programming, birth to age three parent resource kits, The Power of Play multi-media promotional campaign, website development and an early childhood learning framework.

- The Department of Child, Youth and Family Services provides support for training and professional development of Early Childhood Educators and provides project funding to the Early Childhood Educators Human Resource Council.

4.2 Promotion of healthy child development

- Family Resource Centres provide children, families and communities with a means to promote and support healthy child development and well-being. Through the Poverty Reduction Strategy, funding was increased to Child, Youth and Family Services to strengthen existing family resource programs and support the start-up of new programs in Happy Valley-Goose Bay, Lewisporte and Conception Bay South. There are currently 30 Family Resource Centres throughout the province, offering programming in over 158 communities. In 2012/13, approximately 9,000 parents and 9,600 children accessed Family Resource Centres.
- Healthy Baby Clubs actively promote and support healthy lifestyles for women who may require additional support during and after pregnancy. Funds through the Poverty Reduction Strategy have enabled Healthy Baby Clubs to address wait-lists and further supplement the provision of healthy and fresh foods. In 2012/13, the Healthy Baby Club program provided services to 401 participants in 289 communities.
- The Mother Baby Nutrition Supplement is a monthly financial benefit for low-income pregnant women and for families with children under 12 months of age. It is designed to help with the cost of nutritious food during and after pregnancy. Through the Poverty Reduction Strategy, the monthly supplement was increased by \$15 for a total of \$60 a month, along with a

one-time payment of \$90 during the month of the child's birth. More than 820 families received the Mother Baby Nutrition Supplement in 2012/13.

- The Newfoundland and Labrador Child Benefit (NLCB) was increased through the Poverty Reduction Strategy. The NLBC is a provincial tax credit for low-income families who have children under 18 years of age. It is combined with federal child benefits into one monthly payment. The amount received is based on family size and income and does not affect, nor is it dependent on, Income Support eligibility. More than 12,470 families benefited from the NLCB in 2012.
- The Early Development Instrument (EDI) assesses children's readiness to learn as they start Kindergarten (see Appendix III for more information and results). The EDI was first implemented province-wide in 2012/13 and assessed 4,832 students from 188 schools across the province. The results show Kindergarten children in Newfoundland and Labrador fare better than the Canadian norm. Despite this, approximately one in six children show vulnerability in their development either in one, two or more of the five areas of development. These results are being used to target programming and serve as the baseline. All children in the public school system are now being assessed using the EDI when they start kindergarten.

The MacMorran Centre provides a wide-range of programs and services to Newfoundland and Labrador Housing tenants and members of the surrounding community in northeast St. John's. One program offered is a Healthy Baby Club. It provides prenatal education by a public health nurse, lifestyle counselling and support, nutrition and cooking sessions, as well as weekly food vouchers to cover the cost of fresh milk, eggs and fruit to pregnant women. The centre also delivers a Parents and Tots Program designed to provide a semi-structured environment for parents and their children to play and learn in a family-friendly atmosphere. This program allows both parents and children to socialize while taking part in learning-based activities and play. See page 52 for more details.

4.2 Other Supporting Government Actions:

- Early Literacy Foundations, part of the Learning from the Start strategy, is a program designed to help parents and caregivers develop skills that promote and enhance literacy development in children up to age three years. The program was piloted at 14 sites throughout the province in 2013/14. Phases II and III of the pilot will occur in 2014/15.
- The Newfoundland and Labrador Child Care Tax Credit was introduced in 2011 to help families with child care expenses. The maximum benefit under this initiative is \$539 per child, depending on a child's age and the cost of deductible child care expenses. More than 12,600 families benefited from this provincial tax credit in 2012.
- The Progressive Family Growth Benefit provides a \$1,000 lump sum payment to residents of the province who give birth to a baby or have a child placed with them for adoption.
- The Parental Support Benefit is a \$100 monthly benefit available to residents of the province for the 12 months after a child's birth, or the 12 months after an adopted child is placed in the home.

4.3 Strengthen early intervention services and programs

- The Department of Health and Community Services has hired additional staff to enhance early intervention services for pre-school children at risk of, or who have, a developmental delay or disability. This initiative receives \$1.5 million through the Poverty Reduction Strategy and has improved access to early intervention services for approximately 1,000 children a year. One of these interventions has led to the expansion of the Applied Behavioural Analysis (ABA) program. The ABA program is an early intervention therapy program for children with autism and has been expanded up to Grade three. As of February 2014, there were 112 children accessing ABA who were in Grades one through three. There are 299 children overall receiving services through the ABA program.

- The enhanced home visiting program provides services to children, youth and families receiving Protective Intervention services from the Department of Child, Youth and Family Services. Behaviour Management Specialists are located throughout the province and engage directly with Child, Youth and Family Services clients to provide behavioural interventions, parenting support and crisis management.

4.3 Other Supporting Government Actions:

- The Department of Child, Youth and Family Services' Continuum of Care Strategy is working to improve placement options for children and youth requiring out-of-home care. This strategy includes the Foster a Future... Foster a Child Today promotional campaign to recruit new foster parents. Since the campaign began in November 2012, more than 90 new foster homes have been created as of March 2014.

5. A better educated population

One of the best ways to prevent poverty from occurring is to have a better educated population. Education is critical to breaking the cycle of poverty. Parents' income and education levels have a profound impact on their children's long term outcomes. Programs that support children, youth and adults to succeed in school, training and post-secondary education are key to preventing poverty. Education opens up long-term opportunities for economic success, restores the balance of opportunity and helps people develop to their full potential. A better educated population is a more self-reliant population, one that can both contribute to and take full advantage of the province's economic prosperity.

5.1 A K to 12 system where more students graduate

- Through the Poverty Reduction Strategy, the Department of Education has increased funding for the Murphy Centre's high school credit program by \$115,400 to a total of \$694,400. The Murphy Centre is a community-based organization that, among other programming, helps individuals complete high school in a flexible and supportive setting. This funding enables the Murphy Centre to serve 25 more vulnerable youth, bringing the total number of clients in the Murphy Centre's high school credit program to over 190 in 2013/14. The Centre also provides Adult Basic Education, and personal and career services to youth and adults.
- The High School Incentive Allowance is provided to families with children who turn 18, or to 18 year-olds who live independently and are still in high school. This Income Support Allowance helps offset the loss of the federal and provincial child benefits that are discontinued when a child turns 18. This helps reduce pressure that these youth might otherwise experience to drop out of school and join the labour force. In 2013, this benefit was provided to more than 180 cases.
- Since the introduction of Newfoundland and Labrador Housing Corporation's Education Incentive Allowance, high school attendance rates for NLHC tenants has increased from 48 per cent in 2007 to 86 per cent in 2013. The Education Incentive Allowance is provided to tenants with dependents in grades seven to twelve or full-time post-secondary studies, as well as adult tenants in full-time Adult Basic Education (ABE) or post-secondary education or training. The incentive is \$50 a month for each eligible household member. In 2012/13 this allowance was provided to more than 1,600 people in school, ABE, or post-secondary education or training.
- The Community Youth Networks (CYNs) provide services that decrease barriers to education and/or employment, and improve the quality of life for young people. CYNs offer academic support, employment counselling, wellness education and social and recreational activities. Increased funding of \$1,560,000 annually was provided through the Poverty Reduction Strategy to enhanced existing sites and expand the networks to an additional 13 sites. The total annual budget of \$2.6 million supports

34 sites throughout the province. In 2012/13 more than 16,800 youth participated in CYN programs.

- The *Positive Actions for Student Success (PASS)* reaches out to disengaged and at-risk youth. Dedicated teachers work with students individually to help them remain in school and continue their education. Since being introduced in February 2011, more than 650 students from nine schools participated and approximately 80 per cent of the participants who were eligible to graduate have graduated. Between 2010/11 and 2012/13, there were 199 participants who had dropped out of school in the previous two years and because of PASS, returned to finish high school. These early school leavers successfully completed 98 per cent of the courses they started, and nearly half (46 per cent) graduated from high school because of the support they received from PASS. High school graduation is a key stepping stone to employment or further education and associated higher incomes.

5.1 Other Supporting Government Actions:

- The Tutoring for Tuition program provides students in all grades with a free tutor and gives high school students an opportunity to tutor other students in their school environment and/or through distance education, while

Thrive

"My thoughts on Thrive is that if I never got introduced to this place I don't know where I'd be to right now. I did some upgrading and would like to do more in my schooling. Everyone is very helpful to me, ... everyone is respectful and push me in the right direction for all the right reasons."

—Participant of Thrive, Community Youth Network in St. John's
April 2014

earning a tuition voucher towards post-secondary education. Students at any grade level needing tutoring services can access this program through their school guidance counsellor or principal and receive tutoring at no cost. More than 1,000 students worked as tutors in 2012/13, assisting thousands of students in grades K to 12 throughout the province.

5.2 Increased responsiveness of the K to 12 system

- Families of more than 67,000 students are benefiting from the increase in the per-pupil instructional grant to school boards, which increased from \$80 to \$150 in September 2006. This resulted in schools no longer charging parents for consumable materials, such as art supplies and workbooks, and school fees for items such as agendas, student IDs, locks, and locker rentals. The average school fee amount parents had been paying in 2003 per child was \$50.
- In September 2007, a \$12.8 million investment was made to extend the provision of free textbooks to students in grades nine to 12 and an ongoing commitment was made to cover the replacement costs of these books. As a result, textbooks and all prescribed materials are now provided free to students throughout the K to 12 public system. This benefited families of more than 25,000 students in grades nine to 12 in the 2012/13 school year who previously would have had to purchase textbooks. Parents are saving as much as \$310 per child per year.

5.2 Other Supporting Government Actions:

- The Safe and Caring Schools initiative promotes safe, caring and inclusive learning environments with a focus on violence prevention. This initiative has received over \$2 million over the past three years from the Provincial Government.

- Assistive Technology, such as screen magnifiers, large-key keyboards, touch screen displays, speech recognition programs, and text readers, are provided to students with disabilities so they can participate in classrooms. In 2012/13, the Department of Education spent over \$210,000 on 356 pieces of assistive technology for students.
- The Alternate Format Materials Library provides on-line and off-line alternate format material to students unable to use traditional print material. Some examples of alternate format materials include Braille, commercial audio books, digital audio books and e-text versions of books that can be read by text to voice software. This Library provided resources to more than 2,100 students in 2012/13 at a cost of \$19,000.
- An *Excellence in Math Strategy* was introduced in 2008 to ensure our high school graduates continue to succeed. As part of the strategy, a new mathematics curriculum based on the Western and Northern Canadian Protocol (WNCP) was adopted. This curriculum will be fully implemented throughout K to 12 by the end of 2013/14 school year. Professional learning was provided to teachers as the new curriculum was implemented and district teaching units dedicated to numeracy-literacy were introduced to support teachers. These changes in part address a decline in Mathematics Educational scores, measured by the Programme for International Student Assessment (see Annex III). Despite the decline, Newfoundland and Labrador's scores in 2012 are above the international average, and

Michelle is a single mother of two children aged five and seven and is receiving Income Support benefits. She wants to get a decent job to support her two children. Michelle worked with staff in the Department of Advanced Education and Skills to find training that would give her good employment prospects. She has been accepted to the 22-week Heavy Equipment Operator program starting in September 2014. For the 22-week duration of her training program, Michelle will have an income of over \$17,800. This is approximately \$3,300 more than her income would have been for the 22 weeks of the program if she had enrolled prior to the Poverty Reduction Strategy. Further, Michelle will pay \$3,800 less in student loans and interest than she would have back in 2003/04. See pages 55-56 for more details

above countries such as Norway, Sweden, and the United States. The mathematics assessment in 2012 was administered in two forms: paper-based and computer-based. When combining, the paper-based and the computer-based results to make a composite score, Newfoundland and Labrador's overall ranking improved. The composite score provides a more rounded picture of student's mathematical literacy. In 2015 all PISA testing will be computer-based.

5.3 Greater access to post-secondary education, literacy and adult basic education

- The Comprehensive Arts and Science Transition Program (CAS) at the College of the North Atlantic (CNA) is designed for high school and Adult Basic Education graduates who would like to improve their general employability skills or who are lacking the academic courses or required grades to meet the entrance requirements of the college program they wish to enter. The original Poverty Reduction Strategy funding was to increase the number of seats and subsequent enrolment of the CAS program at CNA campuses. Since then, CNA has used strategy funds to leverage additional internal investment to further expand the program. Enrollment in CAS has gone from 142 students in 2006/07 to 433 in 2012/13.
- Adult Basic Education (ABE) provides adults with an opportunity to achieve high school equivalency. In 2006/07 there were 396 graduates from ABE (Level III). An annual investment of \$1.2 million through the Poverty Reduction Strategy has helped to increase this number to 492 in 2012/13.

5.3 Other Supporting Government Actions:

- Newfoundland and Labrador's public institutions have some of the lowest tuition rates in Canada. Since 2005, government has provided funding to support a continued tuition freeze at the province's public

post-secondary institutions. For the period of 2005/06 to 2013/14, the Provincial Government has provided a cumulative total of \$230.2 million to the College of the North Atlantic and Memorial University to maintain the tuition freeze.

- The Newfoundland and Labrador Debt Reduction Grants program allows for up to the full amount of the provincial portion of a student loan to be converted into a non-repayable grant. There is no application process. Students are automatically assessed after the Student Financial Services Division receives notification that the student has graduated.
- Since 2011, the Provincial Government has provided Memorial University with funding for an Aboriginal Resource Office. This office provides support, counselling and advice, as well as serving as a hub for social and recreational activities to all Aboriginal students in the St. John's area.

Most affordable province

"For low-income families, Newfoundland and Labrador (followed closely by Quebec) is the most affordable province this fall; by 2016-17, Newfoundland and Labrador will be by far the most affordable place for kids from low-income families to pursue university."

—Degrees of Uncertainty: Navigating the Changing Terrain of University Finance, Canadian Centre for Policy Alternatives page 6, 2013

Moving Forward Next Steps

The integrated approach being taken by the Government of Newfoundland and Labrador has been crucial to the success of the Poverty Reduction Strategy. Government departments and agencies have worked together to ensure people with low incomes are considered in the development of new policies and programs. Working closely with community groups, people living in or vulnerable to poverty, business and labour to ensure that the right supports and policies exist has also been an essential component of success.

While the strategy has supported many people to move out of poverty, there are still many who are living with low incomes. One area of concern highlighted by the Newfoundland and Labrador Market Basket Measure is that the number of people living in extreme low income has not decreased at the same rate as low income overall. Targeting initiatives to those in extreme low income is a priority. Other priority areas include removing remaining financial disincentives to employment, particularly those for persons with disabilities, continuing to increase supports for early learning, child care and vulnerable youth, and addressing the impact of increasing costs of necessities, such as housing, food and heating, on people with low income.

Budget 2014 continues to build the Poverty Reduction Strategy with an investment of over \$170 million for ongoing and new strategy initiatives. Highlights to be implemented in 2014/15 include:

- A five per cent increase to basic individual and family Income Support rates. This \$4.8 million investment in 2014, annualizing to \$6.46 million in 2015, provides additional financial resources to some of the poorest people in the province.
- A \$1.9 million investment to increase the Seniors' Benefit, with the maximum payment seniors with low incomes will receive in October 2014 being \$1,036, up from \$971 in 2013.
- A \$700,000 investment to extend full coverage under the Newfoundland and Labrador Prescription Drug Program from six months to one year for individuals and families leaving Income Support to help them with the transition to employment.

- A \$1.6 million investment to enhance the *Learning from the Start* strategy and develop new initiatives for children up to the age of three. This includes the development and provision of parent resources (through parent resource kits, print, and on-line resources); promotion of the importance of the early years, including the role parents play in supporting their children's learning and development through the *Power of Play* multimedia campaign; expanding the availability of early literacy programming through libraries and outreach programming; and developing and implementing the early childhood learning framework; and continued implementation of the Early Development Instrument.
- Effective for the 2014 taxation year, the Low Income Tax Reduction income thresholds will be increased, eliminating provincial income tax for individuals with net income up to \$18,547 and for families with net income of up to \$31,362. Partial tax reductions will be received by individuals with net income of up to \$22,815 and for families with net income up to \$38,006.
- An investment of \$712,000 annually for smoking cessation products for people living with low incomes. This will mean adults 18 years of age or older who smoke and are eligible for the Foundation, Access or 65+ plans with the Newfoundland and Labrador Prescription Drug Program will have smoking cessation medications covered, with a total co-pay amount for the cycle of medication of \$75.
- In Poverty Reduction Strategy consultations, the issue of the private vehicle kilometre threshold has been raised as an impediment for low-income individuals and families to be able to travel for medical services, particularly those in rural and remote areas and those who have to rely on friends or relatives to drive them. Budget 2014 allocated \$430,000 for the Medical Transportation Assistance Program to lower the threshold from 2,500 km a year to 1,500 km a year and increase the rate from 16 to 20 cents a km. This will assist individuals and families with low incomes who must travel for specialized insured services.
- Budget 2014 increases funding for Newfoundland and Labrador Housing Corporation's Supportive Living and Rent Supplement programs. These programs help address housing access issues for those who have complex needs that make it more difficult to find suitable housing and may increase vulnerability to homelessness. The Supportive Living Program budget

has been increased by \$500,000 to \$5.3 million. The Rent Supplement Program has been increased by \$1 million from \$8 to \$9 million. This program supports individuals and families with low income and individuals with complex needs to find housing in the private market. Rent exceeding 25 per cent of the net household income is paid directly to the landlord. Continued funding for this program also helps to address waitlists for social housing.

- The Provincial Government will again partner with the Government of Canada to extend the investment in the Affordable Housing Agreement for another five years. The \$68 million agreement also extends the Provincial Home Repair Program and annually assists 2,100 households with low incomes to repair their homes.
- The Residential Energy Efficiency Program has been extended for another three years. Funding of \$12 million over three years will allow Newfoundland and Labrador Housing Corporation to assist up to 1,000 low-income homeowners per year with energy retrofits that will significantly improve affordability by reducing their heating costs.
- The Home Modification Program (HMP) has also been extended by three years. Funding of \$3 million per year will help low-to-moderate income homeowners who require accessibility changes in order to live independently in their residences. This initiative helps promote independence and self-reliance, supports a better quality of life for persons with disabilities, and enables individuals to remain in their own homes for a longer period.
- An annual investment of \$100,000 will create 24 summer employment positions in Newfoundland and Labrador Housing Corporation Community Centres across the province to hire at-risk youth. Early work experience encourages students to continue their schooling and helps youth experience the value of work.

Several other changes are also under development. Announced in Budget 2014, full-day kindergarten will be implemented in September 2016. This will provide increased learning opportunities for all kindergarten-aged children in the province. The Provincial Government will also eliminate provincial student loans and replace them with upfront grants that do not have to be repaid. Budget 2014 commits \$14.7 million over two years to complete

the conversion of student loans to grants, with a projected investment of approximately \$50.6 million over five years.

In the Fall 2013 session of the House of Assembly, the Government of Newfoundland and Labrador committed to increasing rental affordability for Income Support clients in areas of the province where rental rates are highest. A comprehensive review currently underway of regional rental rates will inform how those increases will be implemented. Additionally, a report on homelessness is being finalized by Orgcode, a group of independent, internationally recognized experts on homelessness.

The Government of Newfoundland and Labrador has committed to increase the provincial minimum wage by 25 cents to \$10.25 per hour effective October 1, 2014. This will be followed by another 25 cent increase on October 1, 2015. These increases will benefit many low-income earners in Newfoundland and Labrador.

Government understands that there is still much work to be done and challenges to be faced with respect to eliminating poverty. With continued collaboration with advocates, community-based organizations, business, labour, and people living in or vulnerable to poverty, these challenges can be met. The Government of Newfoundland and Labrador has a continued, unwavering commitment to improve the quality of life for the province's most vulnerable citizens.

Community Centre

Having come from many barriers, I feel like I can relate to the people that come into the Exploits Community Centre. I am now doing my work term at the [NLHC] Community Centre and I love it.

—Work term Student, Newfoundland and Labrador Housing Corporation Exploits Community Centre, April 2014

Appendix I: Profiles

The Poverty Reduction Strategy in Action

One of the strengths of the Poverty Reduction Strategy approach is the attention paid to combined impacts of programs and services on people living in and vulnerable to poverty. Progress in addressing the complex and interconnected social and economic aspects of poverty is demonstrated through examples of the changed circumstances of individuals and families in the province. The specific experiences highlighted in this section illustrate the overall impact that the Poverty Reduction Strategy is having on the quality of life of individuals, families and communities. These experiences give a full picture of what the changes brought about through the Poverty Reduction Strategy mean in practical terms for families and individuals.

While it is essential to have quantitative measures of progress, it is also important not to lose sight of lived experiences. Looking at the experiences of individuals and families shows the combined impact of the policy changes brought about through the Poverty Reduction Strategy. For this reason, the information on the success of specific initiatives highlighted in the “Action Plan Progress” section is supplemented here with real life stories that show the combined impacts of the strategy. Most profiles describe the experience of actual people who shared their story and others are based on common situations.

Supporting Inclusion

The Independent Living Resource Centre (ILRC) is a not for profit community-based organization that provides a wide range of disability-related services. ILRC services are designed by people with disabilities for people with disabilities. The ILRC also shares information and resources on disability issues and provides leadership in the delivery of cross-disability services and supports. The ILRC has several province-wide programs including the Independent Living Internship Program.

The Independent Living Internship Program, funded through the Poverty Reduction Strategy, provides employment opportunities for individuals with disabilities in different regions of the province. The intern positions increase awareness of disability-related supports, such as adaptive technology, available in their communities and throughout the province.

Nancy is a 39 year old mother who became physically disabled eight years ago. Previous to her disability, she worked in the heritage sector. Once she relied on a wheelchair for mobility, she found it increasingly difficult to access many of the buildings necessary to work in the heritage sector. During her Independent Living Internship she worked at Mariner Resource Opportunities Network Inc. (MRON). While there as an intern, she provided information on disability etiquette and matters concerning persons with disabilities to staff and was able to contribute information on disability awareness to a variety of clients and members, while simultaneously contributing to the objectives

Internship program

“The internship program impacted my life in a positive way... The program provided an opportunity for me to very literally, as well as figuratively, get my foot in the door.”

—Nancy, April 2014

of MRON. Because she was able to demonstrate her abilities and work ethic during her internship, after her internship she was hired full-time at MRON.

Bradley is deaf and has cerebral palsy and is proud to have been raised as culturally deaf. During his Independent Living Internship he was responsible for creating alternative formats of documents for individuals who read in Braille and large print. He also coordinated volunteers to create podcast files. The Independent Living Internship had a positive impact as he learned more about the computer programs available to produce documents in alternate formats and he gained more confidence in his ability to interact with other people. Bradley is now employed as a Sales Associate in the Electronics Department at Target where he is responsible for customer sales and services as well as inventory control.

Mokami Women's Centre

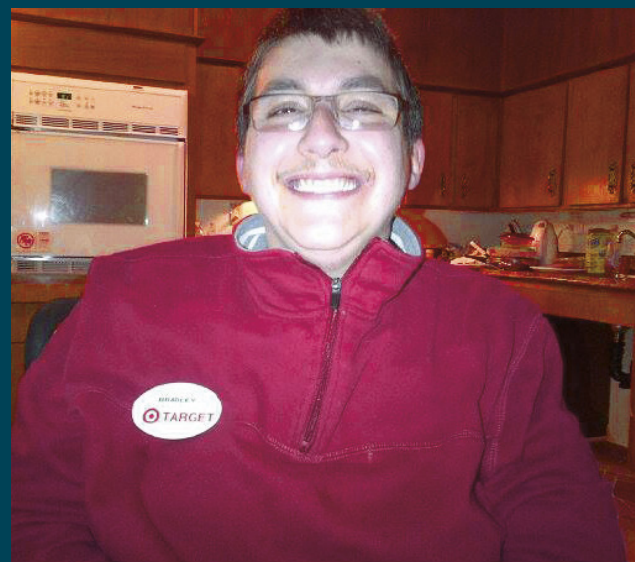
The Mokami Status of Women Council operates the Mokami Women's Centre in Happy Valley-Goose Bay, funded by the Women's Policy Office, and a project funded by Newfoundland and Labrador Housing Corporation's Supportive Living Program called "Program with a Roof." Both of these initiatives receive funding through the Poverty Reduction Strategy.

The Women's Centre provides women with information and referrals to a broad range of government and community delivered programs and services. The Centre has a service navigator on staff to help women access these

Job opportunities

"The IL Internship Program gave me more confidence to gain new skills, and open the future to new job opportunities and I was successful in gaining meaningful employment."

—Bradley, April 2014



supports. There is also a social worker on staff who provides professional support to residents and drop-in clients.

The Council provides direct services to women and primarily works with women and children who are extremely vulnerable. Many of the programs at the Centre are targeted to women most in need, including a thrift store called Thrifty Fashions and the *Women Helping Women* program that provides free toiletries such as soap, shampoo, toothpaste, sanitary supplies, and diapers to women and their children. This program has been accessed over 750 times since February 2013 and Thrifty Fashions achieved record sales in 2013. Women who come for those services often end up receiving direct support from staff or referrals to programs run by other agencies they were not aware of, such as addictions and employment counselling. In addition to these programs, the Centre also provides a Breast Feeding Support Group in partnership with the Aboriginal Family Centre and Labrador Grenfell Health.

“Program with a Roof” is the Supportive Living project operated by the Council. This project maintains eight apartments for women who were homeless or near homeless and have complex needs. This initiative offers many programs and services to in-house residents and drop-in clients. It has strengthened partnerships with other community organizations. For example, community partners are providing cooking and nutrition classes to residents. The goal of the program is to help participants address the root causes that led to their homelessness thereby increasing their likelihood of being able to maintain

Program with a Roof

“I moved in sometime in late March [2014] and I am pleased with the amount of support and activities... The staff is wonderful for support. As for counselling sessions, they are always there for us when needed. I am proud and happy to be a resident here at the MSWC. The day I moved in, I kissed my washer and dryer. Now I’m not moving around from house to house, I can sleep. I can finally sleep.”

—Resident of *Program with a Roof*, April 2014

an apartment in the future. This program has been life-changing for many participants.

The MacMorran Community Centre

The MacMorran Community Centre is located within a Newfoundland and Labrador Housing Corporation (NLHC) neighbourhood in northeast St. John's. It is a registered, non-profit organization established to enhance community capacity and build tenants' self-reliance. The Community Centres are funded by NLHC and receive funding through the Poverty Reduction Strategy.

The Centre provides programs and services to tenants of NLHC and members of the surrounding community of all ages, including after-school programs, music lessons, career and employment programs, seniors programs, and health and fitness programs. The Centre also provides public computers and internet access, operates a food hamper program and a clothing bank. A public health nurse, nurse practitioner and mental health counsellor are also available at the Centre.

The MacMorran Community Centre has a Healthy Baby Club that receives funding through the Poverty Reduction Strategy. Healthy Baby Clubs provide prenatal education by a public health nurse, lifestyle counselling and support, nutrition and cooking sessions, as well as weekly food vouchers to cover the cost of fresh milk, eggs and fruit to pregnant women.

The Centre delivers a Parents and Tots Program to community residents. This program is designed to provide a semi-structured environment for parents and their children to play and learn in a family friendly atmosphere. This group allows both parents and children to socialize while taking part in learning-based activities and play.

Complementing the many services and programs at MacMorran Community Centre is an Outreach House also located in the neighborhood. The part-time Outreach Coordinator, funded through the Poverty Reduction Strategy, focuses on welcoming new residents to the community, bringing residents together for events and activities, visiting families one-on-one, making referrals to other government and community programs and services. The coordinator also builds community relationships. Since the implementation of this new service in 2010, participation has increased in all programs offered at the Centre, the nurse practitioner's client referral list has increased and

staff of the Centre have a better understanding of the needs, interests and strengths of the community members they serve.

Supporting Families by Reducing Costs

Prior to the Poverty Reduction Strategy, it often made more sense to remain on Income Support than to lose benefits such as dental and prescription drug coverage. Take Dave and Shauna, for example. They have two children, aged 10 and 15. David is on heart medication and one child requires medication for Attention Deficit Hyperactivity Disorder.

In 2003, David and Shauna wanted to work, but when they explored options, they decided it made more sense to continue receiving Income Support because of all the increased costs and loss of benefits. Prior to the Poverty Reduction Strategy, if the family had left Income Support, they would have faced over \$7,000 in additional costs.

Due to changes brought in by Poverty Reduction Strategy initiatives, David and Shauna do not face such barriers to employment. In 2014, as Figure 5 shows, these costs have been reduced from \$7,000 in 2003 to \$350 in 2014.

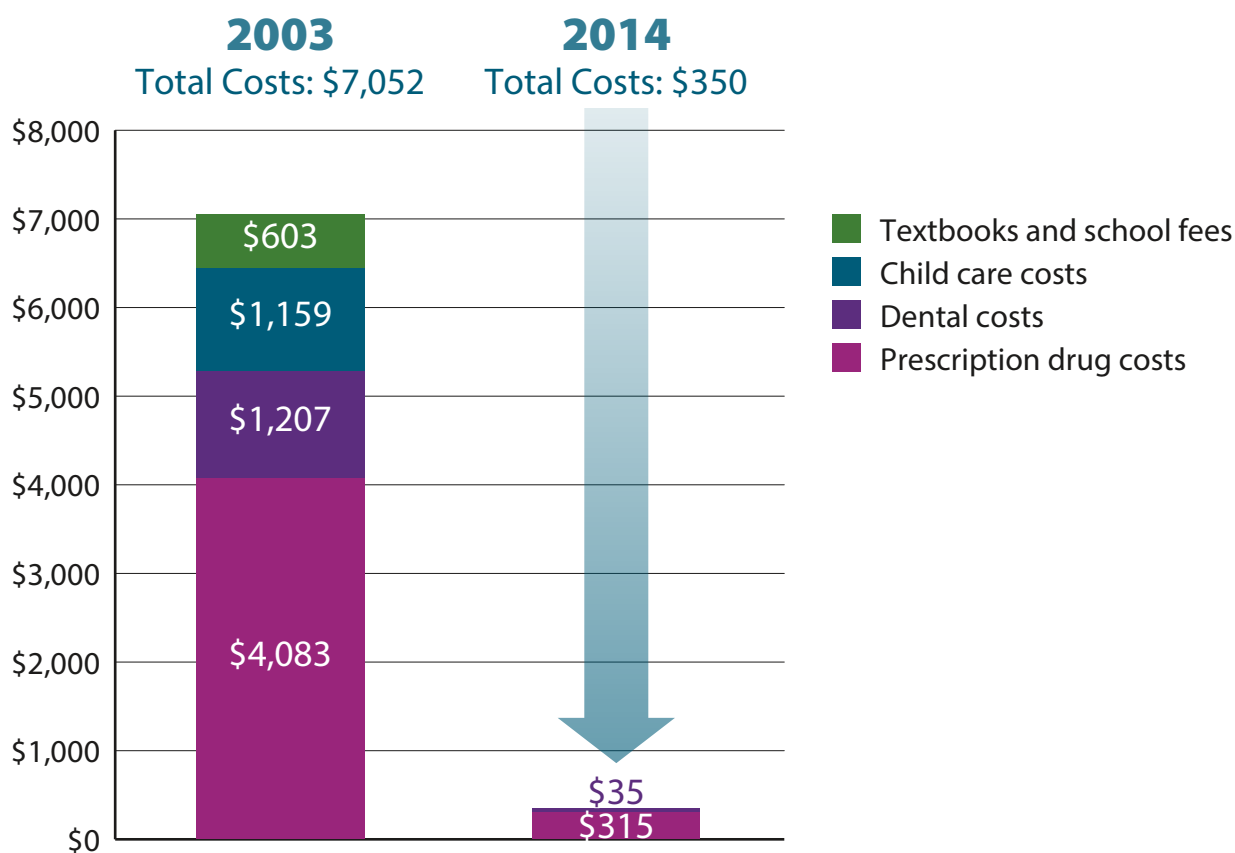
Improvements that reduce costs:

- Expanded NL Prescription Drug Program beyond Income Support clients to other low-income families provides prescription drug coverage (with a co-pay) (2006);
- Expanded NL Dental Health Plan helps pay dental costs for youth (aged 13-17) in low-income families (2007);
- Free text books and elimination of school fees for their children (2007);
- Full cost of child care covered through increases to the Child Care Subsidy Program (2009); and,
- Dental coverage provided through the Adult Dental Program (2012).

Previously, a family would require thousands of dollars of wages just to maintain their level of prescription drug, dental and other benefits. Now a family can count on earned income improving the family's finances. Together with other

new supports to assist Income Support clients transition to employment (Job Start Benefit, increased exemptions for employment income, overlapping first month of pay and benefits), changes that increase take home pay (increases to minimum wage, Low Income Tax Reductions, reduced income tax refund claw back) ensure that families such as David and Shauna's are much better off working.

Figure 6. Reducing Costs as a Barrier to Employment
All amounts are in 2014 constant dollars to control for inflation



Supporting Students

Michelle is a single mother of two children aged five and seven and is receiving Income Support. She is renting an apartment in Stephenville. She wants to get a decent job to support her two children. After receiving employment counselling from a Career Development Specialist in the Department of Advanced Education and Skills, she decided that going to the College of the North Atlantic and obtaining a trade in Heavy Equipment Operator would help her and her family get a fresh start. Michelle has been accepted to the 22-week Heavy Equipment Operator program, to start in September 2014. With

changes made under the Poverty Reduction Strategy she feels confident she can meet her family's needs while going to College.

Improvements:

- Eliminated a requirement for students receiving Income Support to use part of their student assistance to cover housing costs. This increases her Income Support by almost \$3,000 for the 22 week period (2006);
- Increased basic, individual and family Income Support rates by 24.5 per cent (2006, 2007, 2014);
- Increased Newfoundland and Labrador Child Benefit (2007);
- Full cost of regulated child care covered through increased Child Care Subsidy Program (2009, 2013); and,
- Eliminated Michelle's provincial income tax through Low Income Tax Reduction (2009, 2014).

Michelle applied for student assistance for the 2014/15 school year and will receive \$4,979 in loans and \$2,068 in non-repayable grants for the 22-week program.

Supporting students

Making Post-Secondary Education More Affordable

- By 2016, all provincial student financial assistance will be in the form of non-repayable grants.
- Tuition in public post-secondary institutions has been frozen since 2005 and in 2013/14 is one of the lowest in the country.
- Since 2009, there is no interest on provincial student loans.

In total, for the 22-week duration of her training program in 2014/15, Michelle will have an income of over \$17,800. This is approximately \$3,300 more than her income would have been for the 22 weeks of the program in 2003/04.

Further, she would have had to pay back over \$10,100 in loans and interest for her program in 2003/04. After completing her program in 2014/15, Michelle will have to pay back about \$6,250, for a savings of over \$3,800. With the employment counselling she has received, she is confident there is work available for her when she finishes her training. With the lower debt load, Michelle is confident her education will secure a better future for her family.

Figure 7. Increases to Benefit (Based on 22 weeks)

All amounts are in 2014 constant dollars to control for inflation

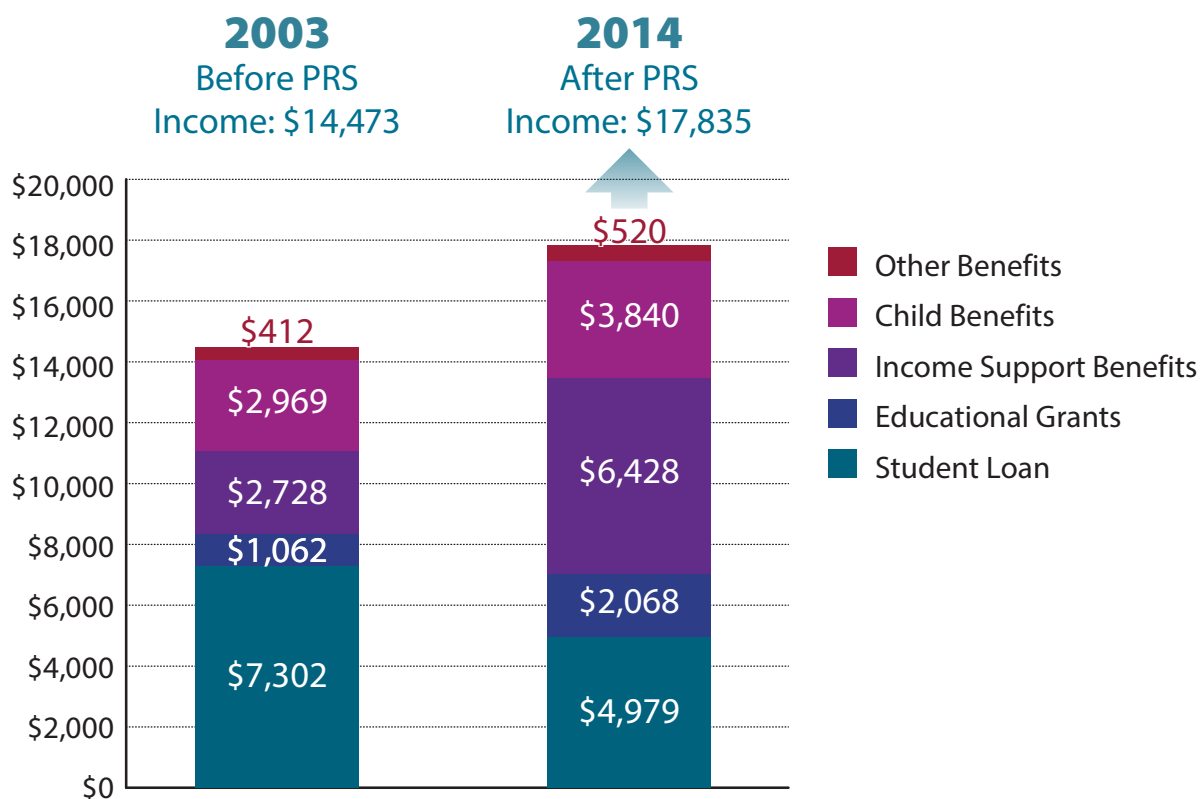
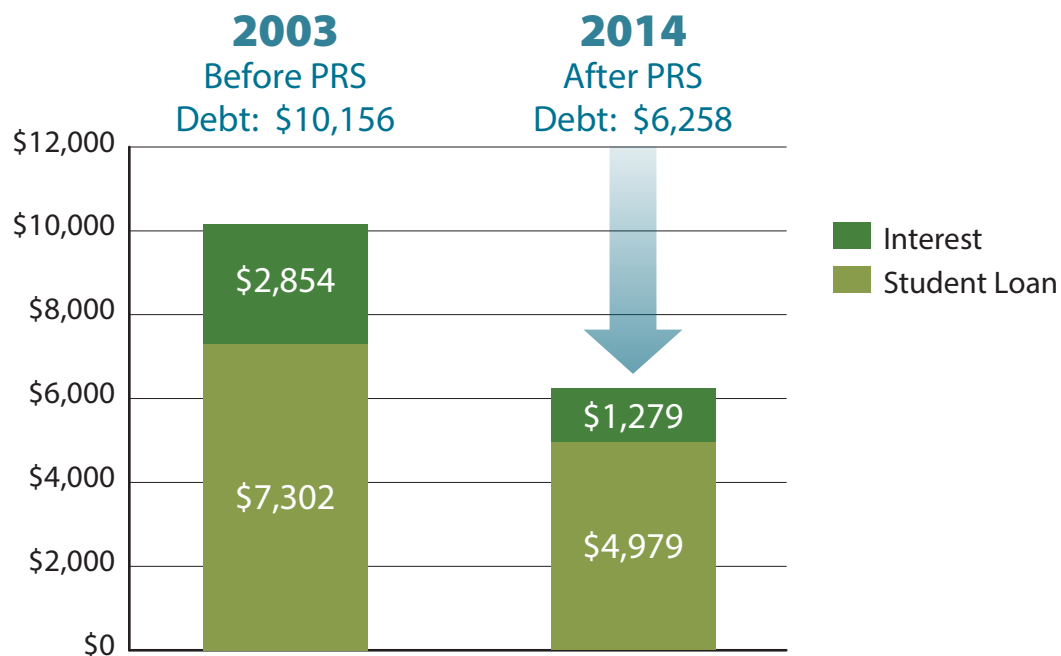


Figure 8. Reducing Student Debt Based on 22 weeks)
All amounts are in 2014 constant dollars to control for inflation



Supporting Seniors

Fred is a 72-year-old widower living in a two-bedroom Newfoundland and Labrador Housing Corporation (NLHC) apartment. Fred fished his whole adult life and relies on Old Age Security and the Guaranteed Income Supplement.

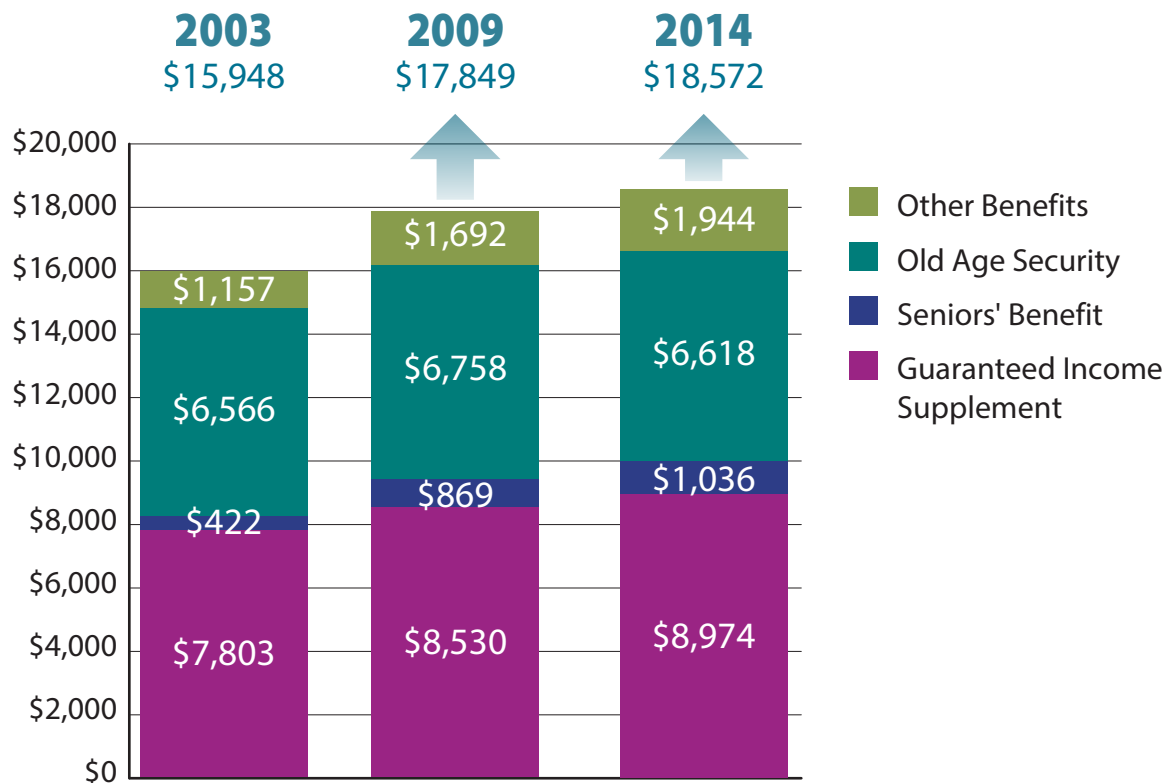
Improvements:

- Increases to the NLHC heating subsidy from \$489 (2003) to \$1,245 (2014);
- Reduced rent because of changes to NLHC's rent-geared-to-income formula for tenants aged 55+ (2007);
- Increases in Low Income Tax Reduction thresholds eliminate provincial income tax for a single person with income below \$18,547 (2009, 2014); and,
- Increases to Seniors' Benefit from \$422 (2003) to \$1,036 (2014).

In 2003, Fred would have had an annual income of about \$14,317 (\$15,949 in 2014\$) from all sources. In 2014, Fred's total income will increase by over \$2,600 to approximately \$18,500.

Figure 9. Increases to Benefits

All numbers are in 2014 constant dollars to control for inflation



Supporting Single Parents Receiving Income Support

In 2009, Elizabeth was a 29-year-old single mother of two who rented an apartment. She had a daughter in grade one and a son in kindergarten. Until 2007, Elizabeth stayed at home with her children full-time and received Income Support benefits. She wanted to work and had experience in the retail sector. She explored her options, but could not avail of a subsidized space in a child care centre because her work would involve evening and weekend shifts in a clothing store. With the cost of child care and concern about losing access to benefits such as prescription drug coverage, Elizabeth did not feel she could go to work and still meet her children's basic needs.

Changes through the Poverty Reduction Strategy removed the barriers and financial disincentives she faced, and in 2007 she went to work. With further changes between 2007 and 2009, she saw a significant improvement in her income and quality of life.

Improvements up to 2009:

- Changed policy to allow clients to keep all of their Income Support benefits in first month of work;
- Increased basic individual and family Income Support rates by 11.6 per cent and indexed them from 2007 to 2012 to ensure they did not lose ground relative to inflation;
- Increased the additional assistance for shelter rate component of Income Support by \$39 a month;
- Implemented a one-time Job Start Benefit of \$250;
- Increased Income Support private child care rates by \$75 a month per child;
- Increased earnings exemptions for Income Support clients to allow working clients to keep 20 per cent of what they earn in addition to the pre-existing \$150 flat rate monthly exemption;
- Reduced provincial portion of income tax through the Low Income Tax Reduction;
- Increased minimum wage by about 40 per cent; and,
- Increased access to employment counseling, labour market information and promotion of benefits and supports available.

In 2003, Elizabeth had an annual income of about \$22,000 (or as Figure 7 shows, the equivalent to about \$24,000 in 2014 when inflation is taken into account). If she had gone to work full-time for minimum wage, she would have been about \$9,500 better off, but with child care and other costs of working, she would not have been better off financially. In 2009, if she was not working, her annual income would have been about \$23,500. In 2009, with the barriers to employment removed, Elizabeth increased her income by over \$13,000 to more than \$36,500. In addition to the financial benefit of working, she also values the social benefits of going to work.

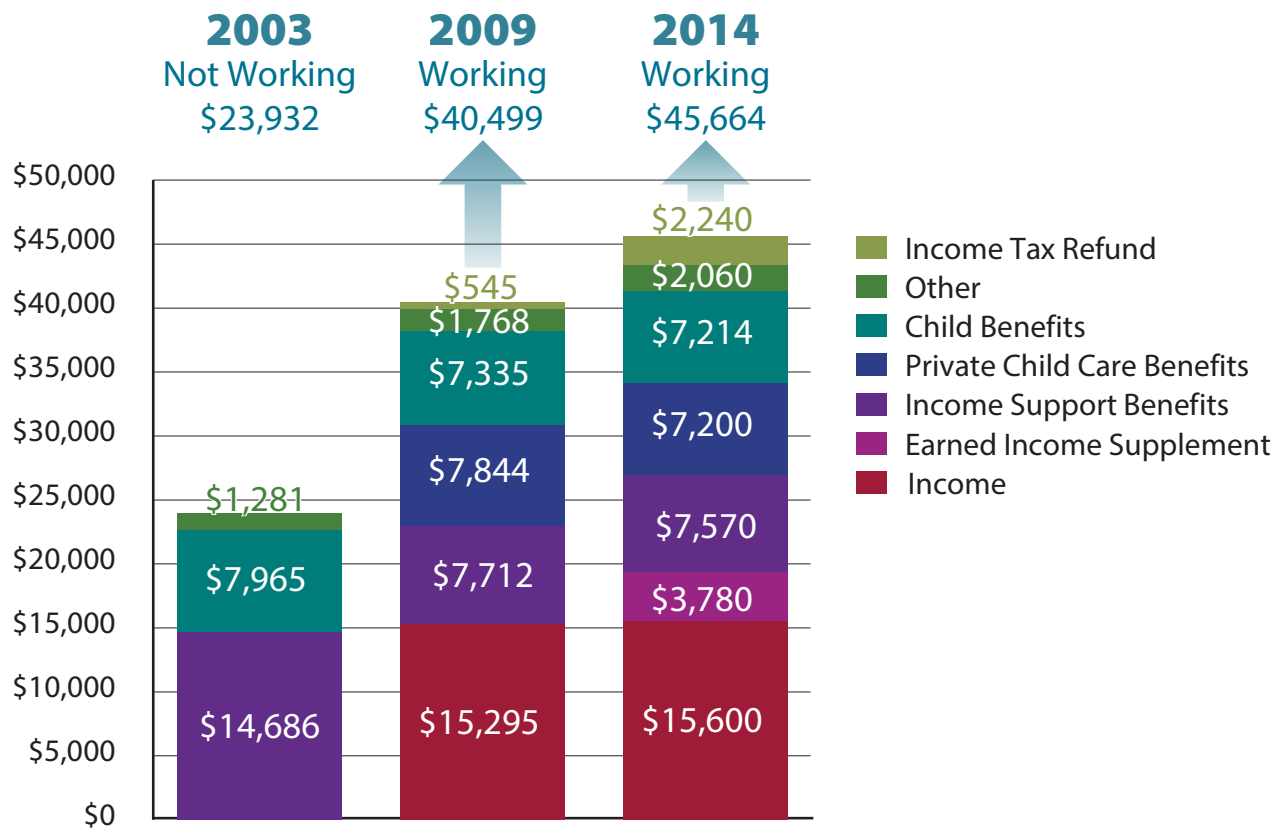
Between 2009 and 2014, there have been further changes that benefit someone in Elizabeth's situation. In 2014, her income, if she was in the same

situation, would have increased by an additional \$5,000 to \$45,664 because of these new initiatives:

- Further increase of basic individual and family Income Support rates by 5 per cent (2014);
- Further increase to additional assistance for shelter amount by \$50 a month (2011);
- Changes so that income tax refunds to Income Support clients are not clawed back (2011);
- Earned Income Supplement was expanded to all single parents so that Elizabeth would now qualify (2012);
- Further increases to the Low Income Tax Reduction thresholds which reduced the amount of income tax Elizabeth would pay (2014); and,
- Further increases in the minimum wage to \$10.25 (2014).

Other changes made through the Poverty Reduction Strategy, such as Low Income Prescription Drug coverage and adult and youth (13 to 17) dental coverage no longer being tied to Income Support, mean that people such as Elizabeth can increase their work hours and earnings and work towards greater financial self-sufficiency.

Figure 10. Elizabeth's Income



Supporting New Parents

In 2009, Sara was a single mother of one child and was renting an apartment and paying for her own heating oil. She worked 30 hours a week at minimum wage, mostly in the evenings, to support herself and her nine-month-old son. A series of changes through the Poverty Reduction Strategy ensured this young family was much better off than it would have been prior to the strategy.

Improvements up to 2009:

- Increased Mother Baby Nutrition Supplement from \$45 to \$60 a month;
- Increased Income Support's private child care amount from \$325 to \$400 a month;
- Increased minimum wage by about 40 per cent;

- Increased basic individual and family Income Support rates by 11.6 per cent including indexing benefits from 2007 to 2012 to ensure they did not lose ground relative to inflation; and,
- Reduced provincial income tax through the Low Income Tax Reduction program.

Sara attended a Healthy Baby Club and participated in a Family Resource Centre program. These programs helped her to lead a healthy lifestyle, develop parenting skills, and gave her an opportunity to meet other parents. Prior to the Poverty Reduction Strategy, there was a wait-list for the Healthy Baby Club in Sara's area. The increase in budget to the Family Resource Centre has allowed well-qualified and dedicated staff to continue to offer a high-quality service. Sara has also benefited from the introduction of parental benefits, including the Progressive Family Growth Benefit and the Parental Support Benefit.

In 2003, Sara's annual income before going to work was about \$18,500 (\$20,125 in 2014\$). If she had gone to work for 30 hours a week she would have been better off by approximately \$10,000, with an income of just over \$30,000. In 2009 when Sara went to work for 30 hours a week at minimum wage, her total income increased by over \$12,000.

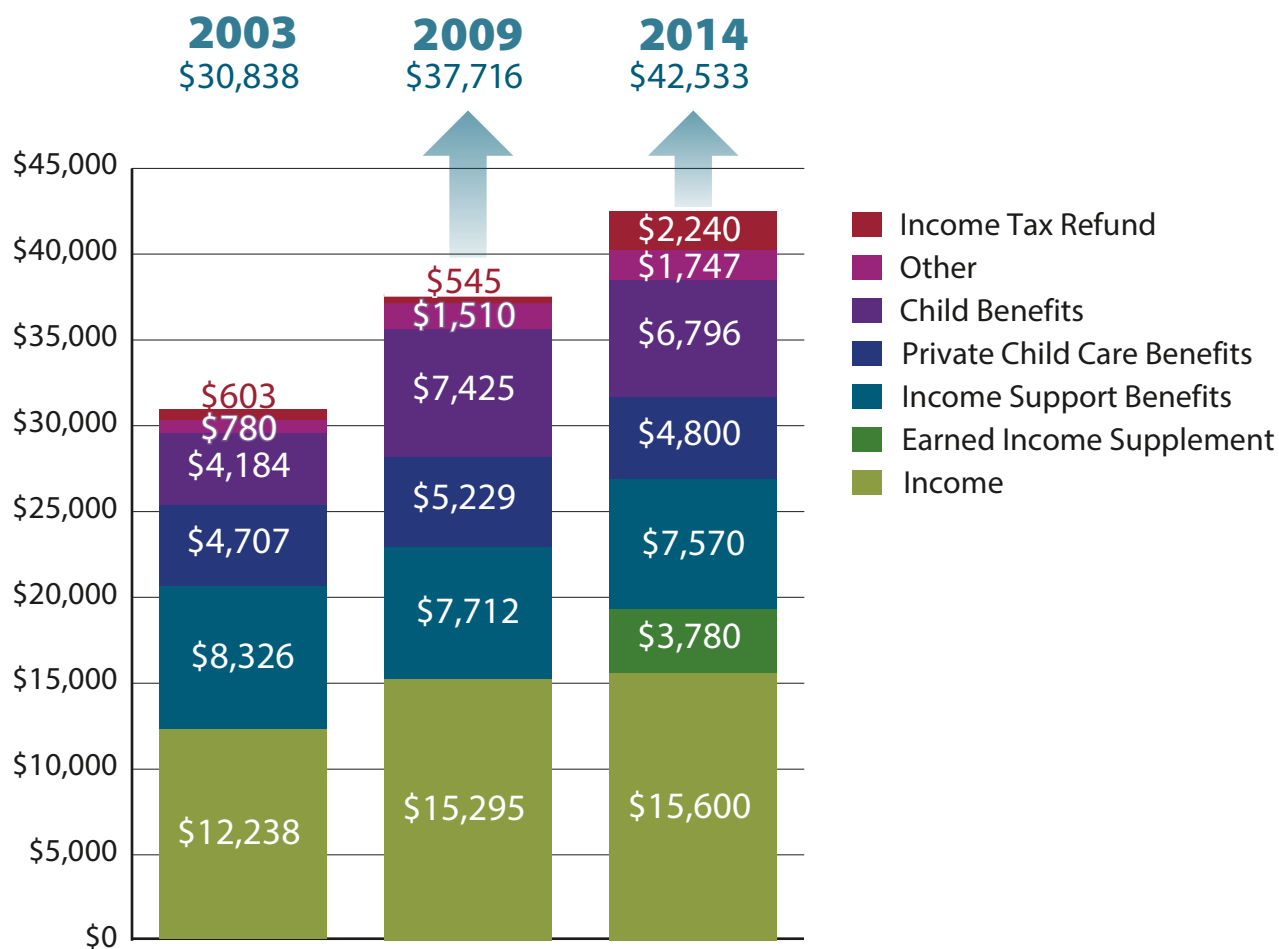
By 2014, someone in Sara's situation would have increased income to over \$42,500, due to the following initiatives and regulatory changes:

- Further increase of basic individual and family Income Support rates by 5 per cent (2014);
- Further increase to additional assistance for shelter amount by \$50 a month (2011);
- Changes so that income tax refunds to Income Support clients are not clawed back (2011);
- Earned Income Supplement expanded to all single parents so Sara would now qualify (2012);
- Increase to the Low Income Tax Reduction thresholds which further reduced the amount of income tax paid (2014); and,

- Further increases in the minimum wage to \$10.25 (2014).

Figure 11. Increases to Benefits

All numbers are in 2014 constant dollars to control for inflation



Appendix II: Summary of Poverty Reduction Strategy Initiatives

Program/initiative	Year Approved	2014/15 Budget
1. Improved access to and coordination of services for people with low income		
Assist low-income private home owners in Nunatsiavut	2014	\$350,000
Funding for NLHC Neighbourhood Centres which are tailored to the needs of smaller neighborhoods	2011	\$100,000
Funding to construct new public housing in Hopedale for individuals living with low incomes who require smaller housing units	2011	previously funded
Funding for the Newfoundland Aboriginal Women's Network to address issues in their communities such as poverty and violence, in ways that are culturally-sensitive	2010	\$100,000
Capacity Building for Inuit Women workshops to empower Aboriginal women to access programs and services	2010	previously funded

Program/initiative	Year Approved	2014/15 Budget
Establish a Supportive Living Program to support community-based initiatives that enable individuals with complex needs to overcome homelessness	2009	\$5,300,000
Implement a Provincial Homelessness Fund	2009	\$1,000,000
Funding for the Kidsport initiative which allows youth in families with low incomes participate in sports	2009	\$35,000
Support community-based groups who provide support to clients with complex needs	2008	\$250,000
Expand eligibility for the Cost of Living Allowance to all Income Support clients who maintain a residence in coastal Labrador	2008	\$200,000
Develop a better integrated service by government to meet the needs of individuals and groups who require social housing and supportive services	2008	\$85,000

Program/initiative	Year Approved	2014/15 Budget
Expand the mandate of the Community Capacity Building Program to groups and organizations less directly linked to economic and business development, but involved in strengthening community capacity	2008	previously funded
Increase funding for the eight existing Newfoundland and Labrador Housing Corporation Community Centres	2007	\$792,000
Fund salaries and operations to lead the Poverty Reduction Strategy and support the Newfoundland and Labrador Market Basket Measure	2007	\$518,000
Develop a Guide to Government of Newfoundland and Labrador Programs and Services for Individuals and Families	2007	previously funded
Ensure that a gender lens is applied to the Guide to Government of Newfoundland and Labrador Programs and Services for Individuals and Families	2007	previously funded
Funding for the province's eight Women's Centres	2006	\$552,000
Increase funding for the Canadian Tire Foundation for Families Jumpstart Program	2006	\$350,000

Program/initiative	Year Approved	2014/15 Budget
Develop and refine ways to show the combined impacts of federal and provincial programs on people with low income	2006	policy change
Increase access to career, employment and youth services programming	2006	previously funded
Increase funding for the Air Food-lift Subsidy program	2006	previously funded

2. A stronger social safety net

Increase basic individual and family Income Support benefit rates by an additional five per cent	2014	\$4,847,300
Funding for a three year extension to the Residential Energy Efficiency Program	2014	\$4,000,000
Funding for a three year extension to the Home Modification Program	2014	\$3,000,000
Increase to the Low Income Seniors' Benefit	2014	\$1,900,000
Funding for the Provincial Smoking Cessation program for people with low income	2014	\$712,000

Program/initiative	Year Approved	2014/15 Budget
Enhance the Medical Transportation Assistance Program to further benefit people with low income	2014	\$430,000
Elimination of the requirement for Income Support clients to apply for Canada Pension Plan benefits at age 60	2012	\$500,000
Develop an Adult Dental Health Care Program that increases access to dental services for people who are vulnerable to poverty	2011	\$6,100,000
Further increase to the Income Support additional assistance for shelter rate	2011	\$4,000,000
Lower the rental rate for Community Based Housing by adjusting the rent-geared-to-income scale from a sliding scale to a flat 25 per cent of household income and expand the Educational Incentive Allowance	2011	\$110,000
Increase the liquid asset level for Income Support clients	2011	\$50,000
Further improvements to the Access Prescription Plan (low-income prescription drug program)	2010	\$3,840,000
Implement a new financial assessment process for home support	2009	\$15,300,000

Program/initiative	Year Approved	2014/15 Budget
Funding for O'Shaughnessy House in Carbonear which not only provides safe and secure shelter for those leaving abusive environments, but also offers individual support and encouragement for women and their children	2009	\$816,200
Lower the rental rate for all Newfoundland and Labrador Housing Corporation tenants by adjusting the rent-geared-to-income scale from a sliding scale to a flat 25 per cent of household income	2009	\$350,000
Provide renovations and energy retrofits for social housing as part of a modernization and improvement program	2009	previously funded
Implement an Affordable Housing Program to provide funding to both private and non-profit housing groups to assist them in constructing suitable housing for people with low-income	2009	previously funded
Implement an Affordable Housing Program to construct social housing for persons with disabilities	2009	previously funded
Implement an Affordable Housing Program to construct social housing for low-income seniors	2009	previously funded

Program/initiative	Year Approved	2014/15 Budget
Establish new, smaller social housing units to meet the demands of 80 per cent of applicants who require one or two bedroom accommodations	2009	previously funded
Expand Newfoundland and Labrador Housing Corporation's Rent Supplement Program to subsidize additional units for eligible low-income households	2008	\$5,000,000
Establish a youth addiction, prevention and early intervention program	2008	\$1,270,000
Enhance health benefits for Income Support clients	2008	\$1,169,000
Remove an inequity in the Income Support program that provided lower rental rates to persons renting from relatives when compared to those who rent from non-relatives	2008	\$444,000
Fund the Supporting Youth with Transitions program that provides youth with hands-on interventions and supports to build necessary life skills in a variety of areas, including relationships and communication, housing and financial management, career and education planning.	2008	\$401,600

Program/initiative	Year Approved	2014/15 Budget
Lower the rental rate for all social housing tenants that are seniors aged 55 and older by adjusting the rent-geared-to-income scale from a sliding scale to a flat 25 per cent of income and for all social housing tenants with employment earnings by adjusting the scale to use net income instead of gross	2008	\$350,000
Establish a Child, Youth and Family Services team in Corner Brook to improve the quality and effectiveness of Legal Aid services for children and parents in child protection cases	2008	\$240,000
Expand the coverage of the Mental Health Office to include Civil Legal Aid services to individuals with complex mental health issues	2008	\$125,000
Funding for a pilot project in St. John's for a Specialized Family Violence Intervention Court	2008	previously funded
Conduct research into transportation needs of individuals and families with low income	2008	previously funded
Review of Income Support rates and rate structure	2008	previously funded

Program/initiative	Year Approved	2014/15 Budget
Index Income Support rates for a six year period	2007	\$18,430,000
Increase the board and lodging supplement for adults with disabilities who reside with family members	2007	\$6,500,000
Funding for the Kids Eat Smart Foundation and expand the initiative to include more schools	2007	\$1,090,000
Lower the rental rate for seniors living in Newfoundland and Labrador Housing Corporation units aged 55 and older by adjusting the rent-geared-to-income scale from a sliding scale to a flat 25 per cent of income	2007	\$350,000
Expand the NL Dental Plan to include dental services for youth between the ages of 13 and 17 in low-income families and provide dental sealants for children	2007	\$100,000
Funding for the Adult Alternative Justice Program	2007	previously funded
Expand eligibility for Newfoundland & Labrador Prescription Drug Program to include low-income families and individuals	2006	\$23,475,000

Program/initiative	Year Approved	2014/15 Budget
Increase basic individual and family Income Support benefit rates by five per cent	2006	\$7,312,000
Increase the additional assistance for shelter rate from \$61 to \$100	2006	\$2,741,000
Expand Family Justice Services to provide more family law resources throughout the province	2006	\$921,400
Lower the rental rate for Newfoundland and Labrador Housing Corporation tenants with employment earnings by adjusting the rent-geared-to-income scale to use net income instead of gross	2006	\$750,000
Funding for low-income earners to access family and Civil Legal Aid services	2006	\$500,000
Increase access to the Special Child Welfare Allowance Program	2006	\$100,000
Amend the Human Rights Code to provide protection against discrimination based on source of income	2006	legislative/ regulation change
Enhance enforcement and compliance of court order supports	2006	policy change
Promote support trusts for adults with disabilities who require supportive services	2006	previously funded

Program/initiative	Year Approved	2014/15 Budget
Funding for Sex Offender and Spousal Abuse Treatment Programs	2006	previously funded
3. Improved earned incomes		
Increase the extended drug card from 6 months to 1 year for people leaving Income Support	2014	\$700,000
Create 24 summer employment positions in Newfoundland and Labrador Housing Corporation Community Centres to hire at-risk youth and encourage them to stay in school	2014	\$100,000
Expand the Earned Income Supplement project for working single parents receiving Income Support	2012	\$260,000
Change the classification of income tax refunds from "partially exempt" to "exempt" for Income Support clients	2011	\$350,000
Increase Low Income Tax Reduction thresholds to reduce or eliminate the payment of provincial income tax for individuals and families with low income	2009	\$11,100,000

Program/initiative	Year Approved	2014/15 Budget
Funding to host the Council of the Federation Symposium on Labour Force Participation	2009	previously funded
Expand workplace incentives and open up opportunities for Income Support clients to go to work by building on program initiatives (increasing earnings exemptions and overlapping Income Support benefits)	2008	\$1,630,000
Expand the Employment Transitions program for single parents	2008	\$525,500
Improve the earnings exemption program for Income Support clients with disabilities	2008	\$200,000
Fund a Community Collaboration facilitator to increase access to career, employment and related services for Newfoundland and Labrador Housing Corporation clients	2008	\$100,000
Expand the Bridging the Gap: From Education to Employment program	2008	previously funded
Establish a two-year pilot micro-lending program	2008	previously funded

Program/initiative	Year Approved	2014/15 Budget
Increase the labour market participation and reduce barriers to employment for persons with disabilities, including: a wage subsidy program, employment-related disability supports, internships to promote technology and school-to-work transition supports	2007	\$1,435,000
Increase the private child care allowance by \$75 per month for working Income Support clients	2007	\$300,000
Offer women who are victims of family violence enhanced employment readiness services	2007	\$294,000
Expand the Provincial Government's Opening Doors program to crown corporations	2007	\$180,000
Distribute employment readiness materials (brochure and workplace toolkit) to support women who are victims of family violence to the Transition House Association of Newfoundland and Labrador and other key stakeholders	2007	\$80,000
Provide a Job Start Benefit to support clients who leave Income Support for work	2006	\$570,000

Program/initiative	Year Approved	2014/15 Budget
Funding for offender employment skills training at correctional facilities across the province	2006	\$47,000
Simplify the process for Income Support clients to report employment earnings	2006	policy change
Provide funding for the high school Futures in Skilled Trades and Technology Program	2006	previously funded

4. Increased emphasis on early childhood development

Provide funding for Early Childhood Learning initiatives under Learning from the Start including province-wide implementation of the Early Development Instrument	2014	\$1,600,000
Increase the Early Learning Child Care Supplement paid directly to qualified Early Childhood Educators	2013	\$3,080,400
Increase the funding for the Child Care Services Subsidy to help families with low incomes with the costs of regulated child care	2013	\$2,209,500

Program/initiative	Year Approved	2014/15 Budget
Introduce funding for the Workplace Training Model Program which enables those working in child care who require upgrading to pursue their studies and retain their employment	2013	\$500,000
Funding for the Inclusion Program which provides support to assist in the accommodation of all children in regulated child care	2013	\$392,000
Funding for the Family Child Care Initiative which includes grants paid to qualified family child care providers to increase regulated spaces	2013	\$305,100
Harmonize the thresholds of the NL Child Benefit and the National Child Benefit Supplement	2011	\$180,000
Harmonize the thresholds of the NL Child Benefit and the National Child Benefit Supplement	2011	(\$171,000)
Increase Funding to strengthen existing Family Resource Centres through the province	2009	\$2,496,000
Funding for early intervention services for pre-school children at risk of, or who have, a developmental disability	2009	\$1,514,000

Program/initiative	Year Approved	2014/15 Budget
Increase subsidy rates for children up to 12 years of age in regulated child care spaces to reduce or eliminate surcharges to parents	2009	\$1,300,000
Funding to Healthy Baby Clubs to address wait lists and further supplement the provision of healthy and fresh foods	2008	\$400,000
Develop an enhanced home visiting model for vulnerable children, youth and families to support parenting in the Protective Intervention Program	2007	\$1,656,000
Increase the NL Child Benefit by \$5 per month	2007	\$925,000
Increase the Mother Baby Nutrition Supplement rate by \$15 per month to help with the cost of nutritious food during and after pregnancy	2007	\$220,000

5. A better educated population

Increased funding for the Murphy Centre to enable 25 more individuals to access its academic programs	2011	\$115,400
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Program/initiative	Year Approved	2014/15 Budget
Increase the high school incentive allowance for families receiving Income Support whose child turns 18 while attending high school	2008	\$60,000
Developed a new pilot program to help disengaged youth reconnect and return to school	2008	previously funded
Increase funding and expansion of the Community Youth Networks	2007	\$1,560,000
Extend the provision of free textbooks in core courses for students in the K - 12 public system	2007	\$1,200,000
Increase the instructional grant to school boards and cover prescribed workbooks and other consumable materials that were charged to parents	2006	\$6,300,000
Funding for Adult Basic Education Level I	2006	\$1,200,000
Provide funding for the Comprehensive Arts & Science Transition Program at College of the North Atlantic	2006	\$650,000
Implement an Education Incentive Allowance for Newfoundland and Labrador Housing Corporation tenants to remain in school	2006	\$625,000

Program/initiative	Year Approved	2014/15 Budget
Implement the School Food Guidelines in support of the Provincial Wellness Plan	2006	previously funded
		\$173,045,400

Appendix III: Detailed Indicator Information

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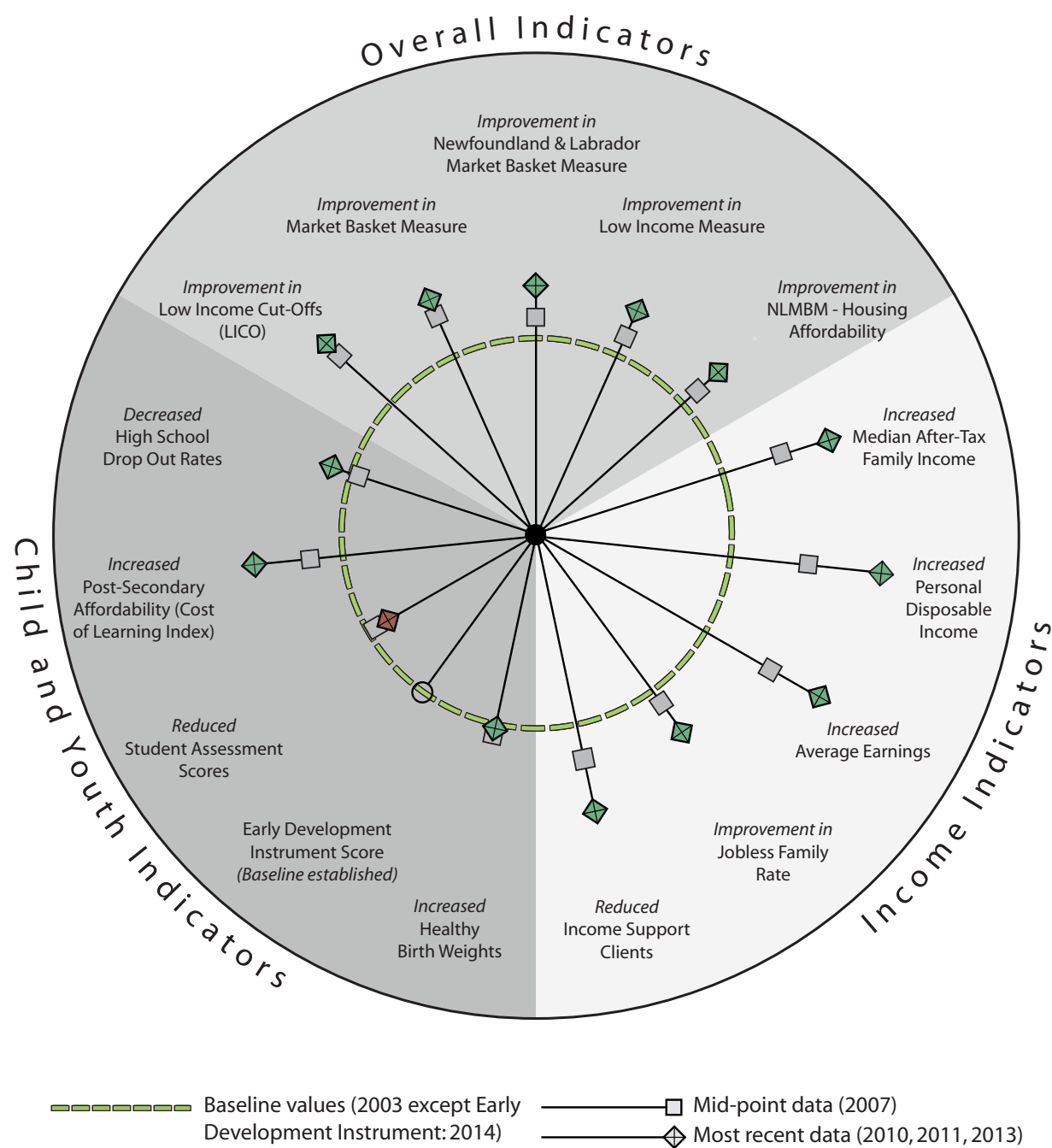
The Progress Wheel: Gauging Success at a Glance

Interpreting this graph:

The dashed inner circle represents performance levels of each indicator in 2003, and the spokes radiating from the center represent performance values.

Spokes that extend outside the dashed circle indicate improved outcomes. The further from the dashed circle, the greater the improvement.

Figure 12. Progress Wheel

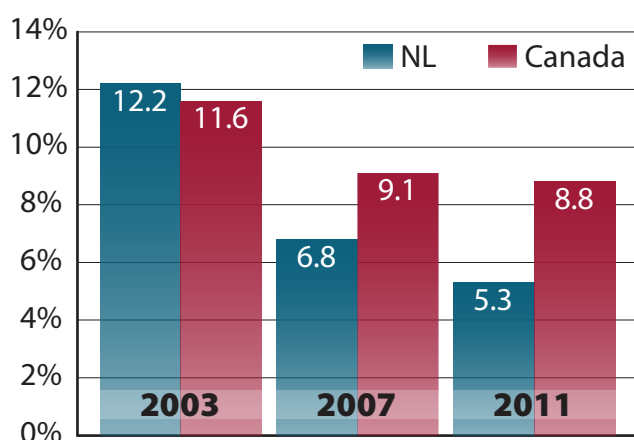


Overall Indicators

Low Income Cut-Offs (LICO) – After-tax

Source: Statistics Canada, table 202-0802. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889.

Figure 13. LICO Incidence
(% in low income)



Description:

A low-income household is defined by LICO as one that spends 20 per cent more of its income on food, clothing and shelter than the average family spends on these necessities.

Rationale:

This is the longest standing measure of low income produced in Canada. It also allows for comparison between provinces.

Baseline:

12.2% (63,000 persons) of the NL population lived with low incomes in 2003

11.6% (3,594,000 persons) of the Canadian population lived with low incomes in 2003

Average low income gap for all family units in NL in 2003: 29.8%

Average low income gap for all family units in Canada in 2003: 32.8%

Persistence of low income of the NL population (below LICO all years between 1996-2001): 3.0%

Persistence of low income of the Canadian population (below LICO all years between 1996-2001): 3.4%

Mid-Point Data

6.8% (34,000 persons) of the NL population lived with low incomes in 2007

9.1% (2,938,000 persons) of the Canadian population lived with low incomes in 2007

Average low income gap for all family units in NL in 2007: 30.1%
Average low income gap for all family units in Canada in 2007: 32.8%

Persistence of low income of the NL population (below LICO all years between 2002-2007): 1.9%

Persistence of low income of the Canadian population (below LICO all years between 2002-2007): 2.1%

Recent Data:

5.3% (27,000 persons) of the NL population lived with low incomes in 2011

8.8% (2,959,000 persons) of the Canadian population lived with low incomes in 2011

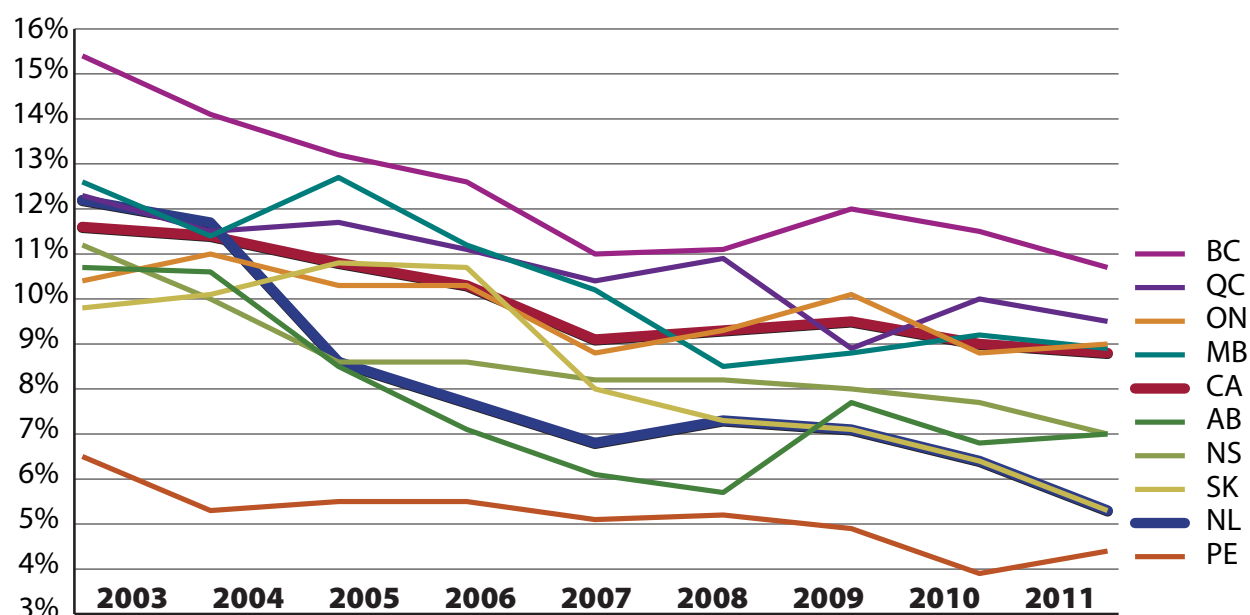
Average low income gap for all family units in NL in 2011: 30.0%

Average low income gap for all family units in Canada in 2011: 33.3%

Persistence of low income of the NL population (below LICO all years between 2005-2010): 0.4%

Persistence of low income of the Canadian population (below LICO all years between 2005-2010): 1.5%

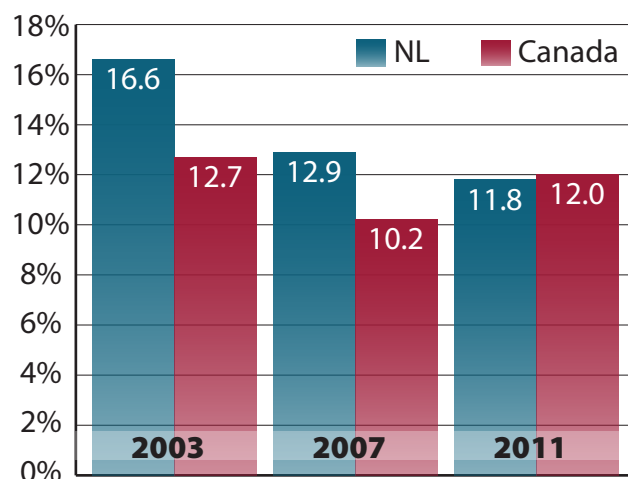
Figure 14. LICO Incidence, All Provinces and Canada



Market Basket Measure (MBM)

Source: Statistics Canada, table 202-0802. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889. Developed by Employment and Skills Development Canada.

Figure 15. MBM Incidence: NL and Canada (All persons)



Note: 2011 base

Description:

The Market Basket Measure estimates the cost of a specific basket of goods and services. Using this measure, a family is defined as having a low income if its disposable family income falls below the cost of the goods and services in the market basket for their community size.

Rationale:

National measure developed to supplement the other low income measures reported by Statistics Canada (LICO and LIM). It is based on the cost of a basket of goods and services and is sensitive to varying costs of this basket based on geographic location.

Baseline:

16.6% of the NL population lived with low incomes in 2003

12.7% of the Canadian population lived with low incomes in 2003

Mid-Point Data:

12.9% of the NL population lived with low incomes in 2007

10.2% of the Canadian population lived with low incomes in 2007

Recent Data:

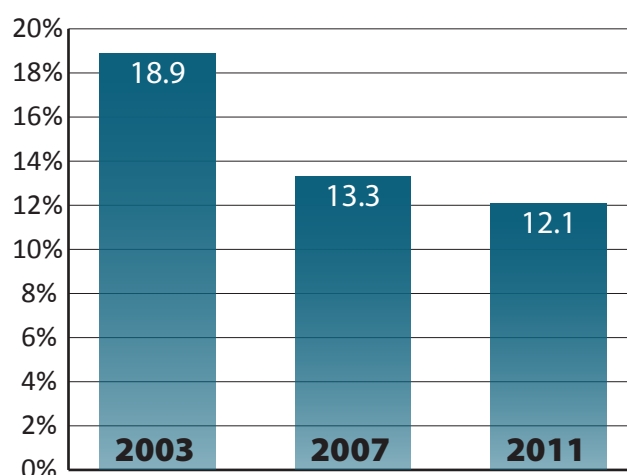
11.8% of the NL population lived with low incomes in 2011

12.0% of the Canadian population lived with low incomes in 2011

Newfoundland and Labrador Market Basket Measure (NLMBM)

Source: The NLMBM is developed by the Newfoundland and Labrador Statistics Agency. Available on www.communityaccounts.ca.

Figure 16. NLMBM - Per Cent with Low Incomes



Description:

The NLMBM is a NL specific version of the national Market Basket Measure (see definition and description of the MBM on the previous page) that uses province specific information that better reflect provincial realities. Most importantly, the NLMBM uses income tax data instead of survey data to estimate disposable income and uses new sources of community and regional level information for estimating variations in the cost of the market basket. Overall, this enables the NLMBM to provide more reliable and accurate sub-provincial (i.e., province to neighbourhood) and sub-groups analysis of low income.

Rationale:

Federal measures of low income, including the MBM, LICO and LIM, do not allow for provincial or sub-provincial comparisons of specific family type and age cohorts. The NLMBM was developed to provide more reliable and accurate estimates of this kind.

Baseline:

18.9% of the NL population lived with low incomes in 2003

Provincial measure - data not available for the Canadian population

Mid-Point Data:

13.3% of the NL population lived with low incomes in 2007

Provincial measure - data not available for the Canadian population

Recent Data:

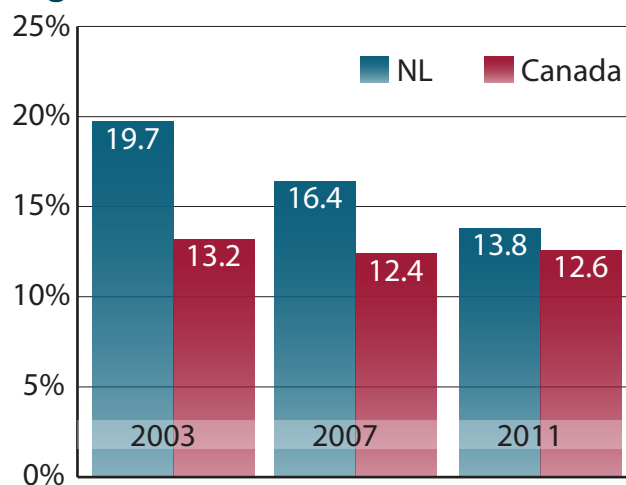
12.1% of the NL population lived with low incomes in 2011

Provincial measure - data not available for the Canadian population

Low Income Measure (LIM)—After-tax

Source: Statistics Canada, table 202-0802. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889.

Figure 17. Low Income Measure



Description:

For a family of one, the Low-Income Measure (LIM) is set to one-half of the median family income, where the median is adjusted according to family size and composition. For families of other sizes and composition, upward adjustments are made to the LIM.

Rationale:

A national measure that differs from the other measures of low income in that it is based directly on income. It is not based on the proportion of income spent on food, clothing and shelter nor on the cost of a basket of goods and services. LIMs vary with family size and composition, but they are the same in all parts of the country and therefore do not reflect the reality of higher costs of living in large cities and lower costs in rural areas.

Baseline:

19.7% of the NL population lived with low incomes in 2003

13.2% of the Canadian population lived with low incomes in 2003

Mid-Point Data

16.4% of the NL population lived with low incomes in 2007

12.4% of the Canadian population lived with low incomes in 2007

Recent Data:

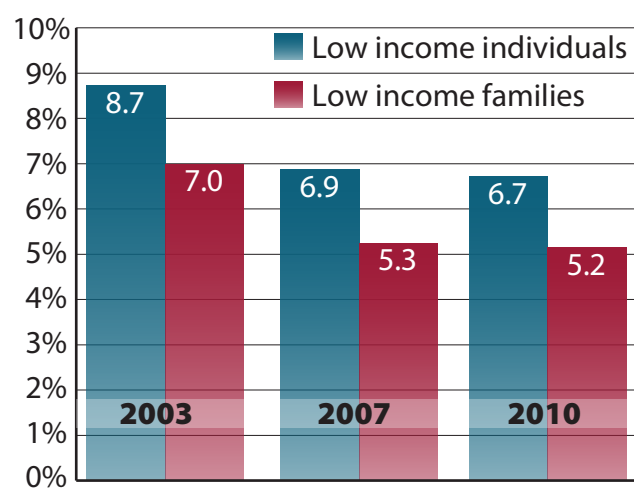
13.8% of the NL population lived with low incomes in 2011

12.6% of the Canadian population lived with low incomes in 2011

Newfoundland and Labrador Market Basket Measure—Housing Affordability:

Source: Newfoundland and Labrador Statistics Agency

Figure 18. Newfoundland and Labrador Market Basket Measure—Housing Affordability



Description:

The Newfoundland and Labrador Market Basket Measure – Housing Affordability (NLMBM-HA) identifies low-income families and individuals where the median shelter cost is at least 50 per cent greater than the NLMBM standard of shelter in their community.

Rationale

Prior to the Newfoundland and Labrador Statistics Agency's creation of the NLMBM-HA there were no indicators that allowed for the examination of the affordability of housing by low-income populations at the community level, or for detailed family types, age cohorts or gender.

Baseline:

8.7% of individuals with low incomes in 2003

7.0% of families with low incomes in 2003

Mid-Point Data:

6.9% of individuals with low incomes in 2007

5.3% of families with low incomes in 2007

Recent Data:

6.7% of individuals with low incomes in 2010

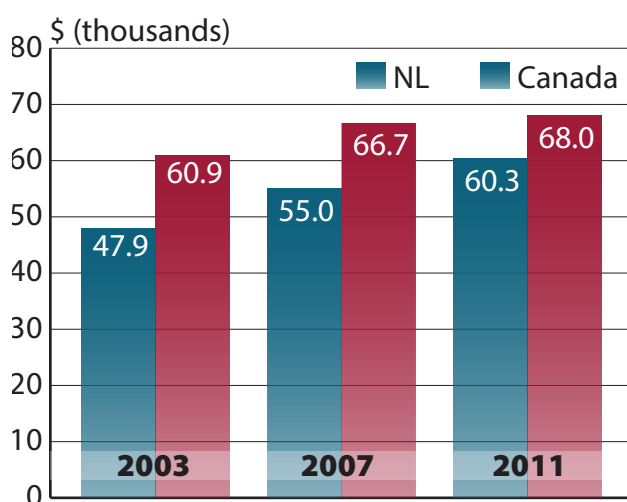
5.2% of families with low incomes in 2010

Income Indicators

Median Family Income

Source: Statistics Canada, table 202-0601. Survey of Consumer Finances – 3502 and Survey of Labour and Income Dynamics – 3889

Figure 19. Median After-Tax Family Income (economic families, two persons or more)



Note: data is in 2011 constant dollars.

Description:

The median divides the family income distribution into two equal parts: one-half of the cases falling below the median household income and one-half above the median.

Rationale:

A higher median family income indicates improvement in overall income levels in the province.

Baseline:

\$47,900 for all NL economic families, two persons or more in 2003

\$60,900 for all Canadian economic families, two persons or more in 2003

\$16,800 for all NL unattached individuals in 2003

\$23,900 for all Canadian unattached individuals in 2003

Mid-Point Data:

\$55,000 for all NL economic families, two persons or more in 2007

\$66,700 for all Canadian economic families, two persons or more in 2007

\$18,400 for all NL unattached individuals in 2007

\$25,800 for all Canadian unattached individuals in 2007

Recent Data:

\$60,300 for all NL economic families, two persons or more in 2011

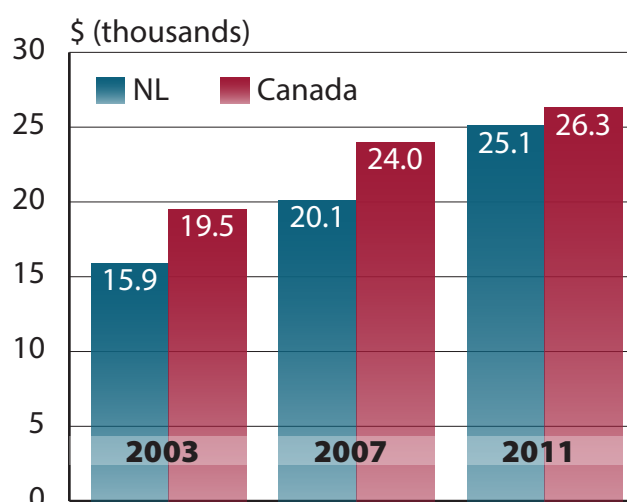
\$68,000 for all Canadian economic families, two persons or more in 2011

\$22,600 for all NL unattached individuals in 2011
\$25,800 for all Canadian unattached individuals in 2011

Personal Disposable Income (per capita)

Source: Compiled by the Community Accounts Unit, based on Canada Customs and Revenue Agency summary information as provided by Small Area and Administrative Data Division, Statistics Canada.

Figure 20. Personal Disposable Income (per capita)



Note: NL numbers reflect an adjustment for the underreporting of Income Support benefits. The Canadian numbers do not have this adjustment.

Description:

Personal disposable income is the total amount of money available for the population to spend or save after-taxes and deductions.

Rationale:

The more personal disposable income available, the better off the families and individuals.

Baseline:

\$15,900 per capita personal disposable income in NL in 2003
\$19,500 personal disposable income in Canada in 2003

Mid-Point Data:

\$20,100 per capita personal disposable income in NL in 2007
\$24,000 per capita personal disposable income in Canada in 2007

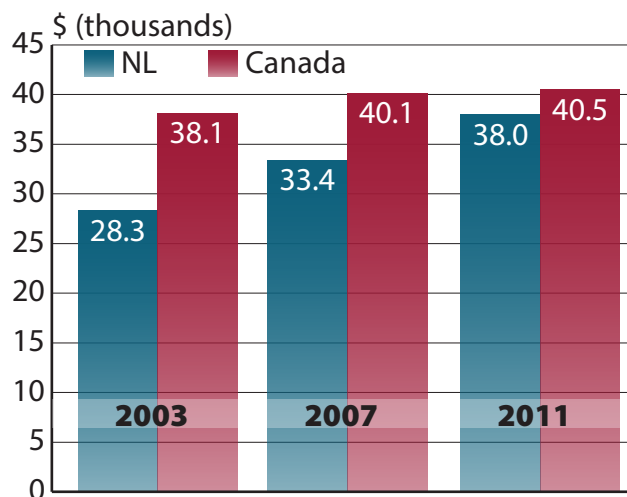
Recent Data:

\$25,100 per capita personal disposable income in NL in 2011
\$26,300 per capita personal disposable income in Canada in 2011)

Average Earnings

Source: Statistics Canada, table 202-0101. Survey of Consumer Finances – 3502, and Survey of Labour and Income Dynamics – 3889.

Figure 21. Average Earnings



Description:

The average amount earned by a working individual.

Rationale:

The higher average earnings the better the possibility individuals have to support their family's financial needs.

Baseline:

\$28,300 in NL in 2003

\$38,100 in Canada in 2003

Mid-Point Data:

\$33,400 in NL in 2007

\$40,100 in Canada in 2007

Recent Data:

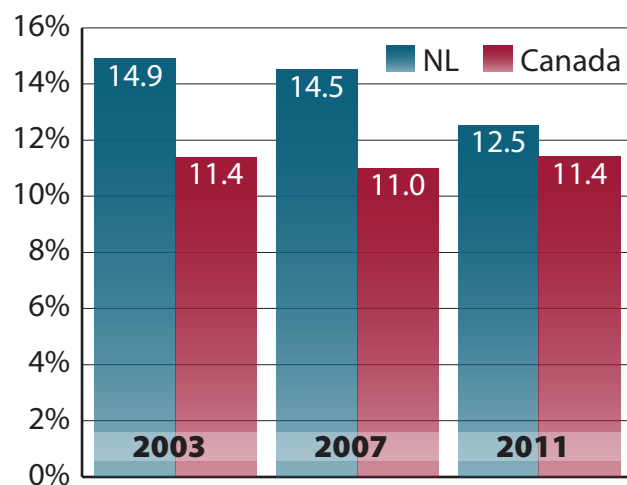
\$38,000 in NL in 2011

\$40,500 in Canada in 2011

Jobless Family Rate

Source: Statistics Canada, Small Area and Administrative Data Division, Family and Senior Income Profiles, 2011. Prepared by the Newfoundland & Labrador Statistics Agency and the Department of Finance

Figure 22. Jobless Family Rate



Description:

The percentage of families in which all working-age persons do not have jobs.

Rationale:

Studies have shown that those employed increase their chances of escaping poverty and living a healthier life.

Baseline:

14.9% in NL in 2003

11.4% in Canada in 2003

Mid-Point Data:

14.5% in NL in 2006

11.0% in Canada in 2006

Recent Data:

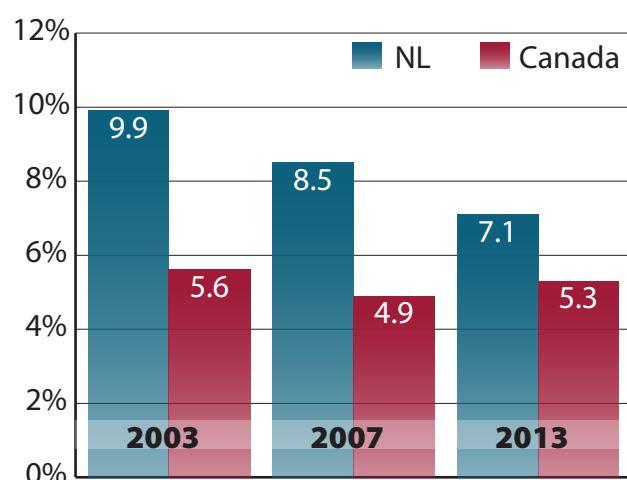
12.5% in NL in 2011

11.4% in Canada in 2011

Income Support Clients

Source: Employment and Social Development Canada. Population data - Statistics Canada Catalogue 91-215-X. Social Assistance data - Administrative data from the provinces and territories.

Figure 23. Percentage of Population in Receipt of Income Support



Description:

Income Support is a program offered by the Department of Advanced Education and Skills. It provides financial benefits and other services to eligible low-income individuals and families to assist in meeting daily living expenses.

Rationale:

The number of Income Support clients will offer additional information on progress. Fewer clients indicate there are fewer people in low income who need assistance from government.

Baseline:

9.9% of population of NL were receiving Income Support in March 2003
5.6% in Canada

Mid-Point Data:

8.5% of population of NL were receiving Income Support in March 2007
4.9% in Canada

Recent Data:

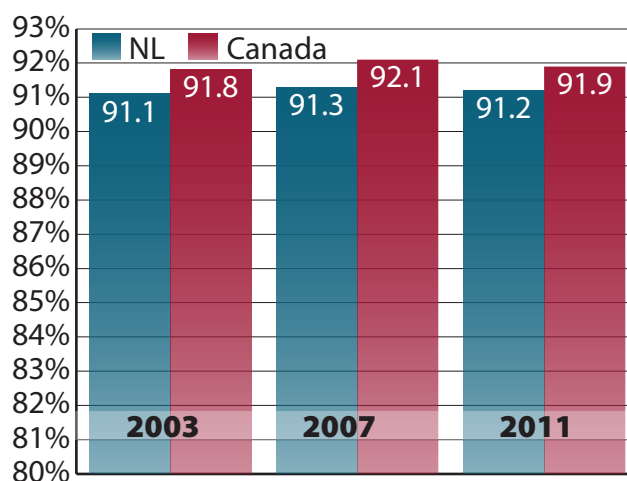
7.1% of population of NL were receiving Income Support in March 2013
5.3% in Canada

Children and Youth Indicators

Healthy Birth Weights:

Source: Statistics Canada, table 102-4509. Vital Statistics - Birth Database – 3231

Figure 24. Healthy Birth Weights



Description:

The percentage of newborns born at a healthy weight. A healthy weight is considered a birth weight between 2,500 and 4,499 grams.

Rationale

Low birth weight births are often correlated with low income, and can lead to increased risk of poor health and learning impediments.

Baseline:

91.1% in NL in 2003

91.8% in Canada in 2003

Mid-Point Data:

91.3% in NL in 2007

92.1% in Canada in 2007

Recent Data:

91.2% in NL in 2011

91.9% in Canada in 2011

School Readiness – Early Development Instrument Score

Source: Offord Centre for Child Studies, McMaster University

Description:

The Early Development Instrument Score (EDI) assesses a child's readiness to learn as they start Kindergarten. This teacher completed checklist determines children's readiness across five developmental domains: physical health and well-being, social competence, emotional maturity, language and cognitive development, and communication skills and general knowledge.

Each developmental domain is made up of a series of sub-domains that assesses a range of developmental expectations. Children can reach all, almost all, some, few or none of the developmental expectations. If a child scores below expectations (i.e. achieves few or none) on 9 or more of the 16 sub-domains, he/she is considered to have multiple challenges.

Rationale:

The opportunities and experiences children have during the first five years of life shape their readiness and ability to learn in school. The EDI measures the outcomes of children's pre-school (0-6 years) experiences as they influence their readiness to learn at school. This allows supports and early education programs to be put in place where most needed.

Baseline:

In 2012/13, assessments were carried out for 4,832 students from 188 schools across the province. These results serve as the year one baseline that subsequent EDI results will be compared against. The results show Kindergarten children in Newfoundland and Labrador fared better than the Canadian norm. For example, 18 per cent of the province's children were vulnerable on at least one domain, eight per cent vulnerable on at least two domains and two per cent were identified as having multiple challenges. This is lower than the Canadian norm of 25 per cent, 12 per cent and four per cent respectively.

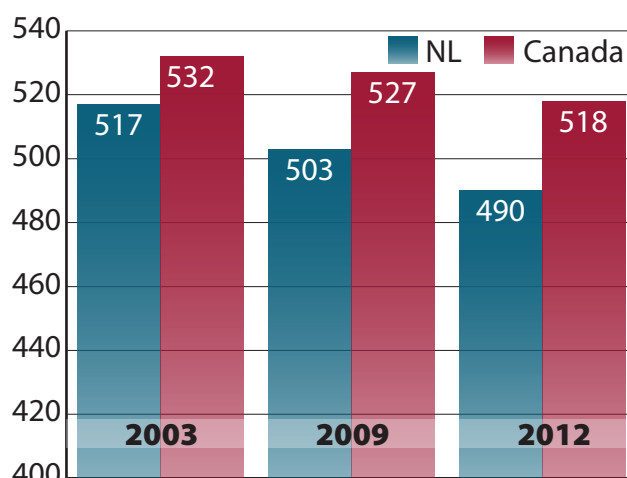
Recent Data:

The EDI will be administered during the 2013/14 and 2014/15 school years. These results will be compared against the 2012/13 baseline information.

Programme for International Student Assessment: Mathematics and Reading scores

Source: The Organisation for Economic Co-operation and Development

Figure 25. Programme for International Student Assessment: Mathematics



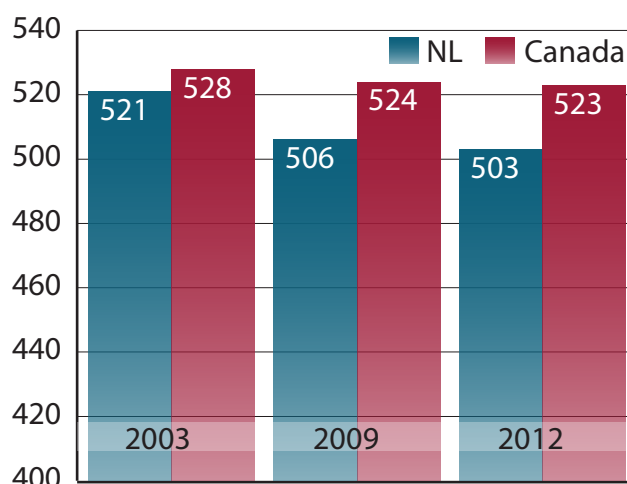
Description:

The Programme for International Student Assessment (PISA) is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. Around 510,000 students in 65 economies took part in PISA 2012 representing about 28 million 15-year-olds globally.

Since the year 2000, every three years, fifteen-year-old students from randomly selected schools worldwide take tests in the key subjects, such as reading and mathematics. The students take a test that lasts 2 hours. The tests are a mixture of open-ended and multiple-choice questions that are organized in groups based on a passage setting out a real-life situation.

Students and their school principals also answer questionnaires to provide information about the students' backgrounds, schools and learning experiences and about the broader school system and learning environment.

Figure 26. Programme for International Student Assessment: Reading



Rationale:

PISA is unique because it develops tests which are not directly linked to the school curriculum. The tests are designed to assess to what extent students at the end of compulsory education, can apply their knowledge to real-life situations and be equipped for full participation in society. The information collected through background questionnaires also provides context which can help analysts interpret the results.

In addition, given PISA is an ongoing triennial survey, countries and economies participating in successive surveys can compare their students' performance over time and assess the impact of education policy decisions.

Baseline:

2003 paper-based mathematics score for NL: 517

2003 paper-based mathematics score for Canada: 532

2003 paper-based reading score for NL: 521

2003 paper-based reading score for Canada: 528

Mid-Point Data:

2009 paper-based mathematics score for NL: 503

2009 paper-based mathematics score for Canada: 527

2009 paper-based reading score for NL: 506

2009 paper-based reading score for Canada: 524

Recent Data:

2012 paper-based mathematics score for NL: 490

2012 paper-based mathematics score for Canada: 518

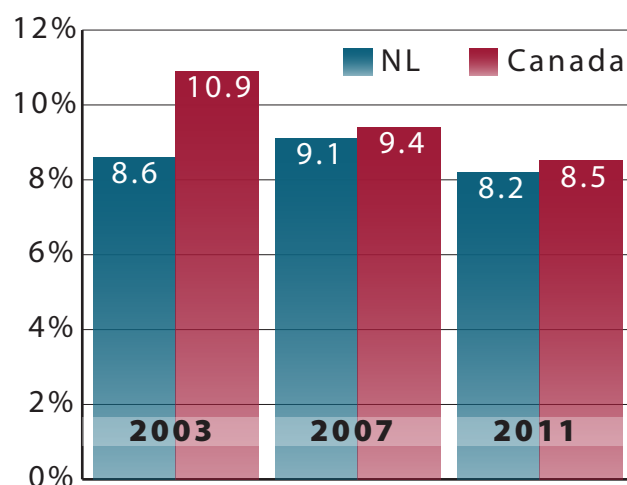
2012 paper-based reading score for NL: 503

2012 paper-based reading score for Canada: 523

High School Drop Out Rates

Source: Statistics Canada. Labour Force Survey 2012. Based on a three-year moving average

Figure 27. High School Drop Out Rates



Description:

A high school drop out is a 20-24 year old without a high school diploma and not in school. The drop out rate is expressed as a percentage of the population aged 20-24.

Rationale:

High school completion is generally considered a minimal education level to participate fully in the labour force, and therefore dropping out of high school can hinder a person's labour force potential.

Baseline

8.6% dropped out in NL in 2003

10.9% in Canada in 2003

Mid-Point Data:

9.1% dropped out in NL in 2007

9.4% in Canada in 2007

Recent Data:

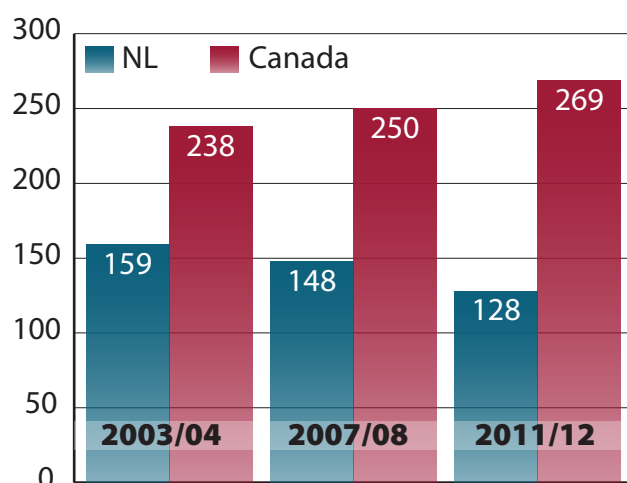
8.2% dropped out in NL in 2011

8.5% in Canada in 2011

Post-Secondary Affordability: Cost of Learning Index – Low Income

Source: Statistics Canada tables: 326-0020, 202-0605, and the Statistics Canada Tuition and Living Accommodation Costs Survey. Calculations by the Canadian Centre for Policy Alternatives.

Figure 28. Cost of Learning Index: Low Income Family (Low values are better)



Description:

Developed by the Canadian Centre for Policy Alternatives, the Cost of Learning Index – Low Income looks at the affordability of an undergraduate university degree for families at Statistics Canada's Low Income Cut-Off threshold for a two-parent, two-child family.

Having an index value lower than the Canadian average in a given year means that a university education in NL is more affordable than in Canada. For this index, the Canadian average for tuition costs and fees in 1990 is 100.

Rationale:

By establishing a baseline measurement relating tuition, other compulsory fees, inflation and incomes, it is possible to see how affordability has changed based on provincial education funding policy and economic trends.

Baseline:

2003/04 Cost of Learning Index for a low-income family in NL: 159

2003/04 Cost of Learning Index for a low-income family in Canada: 238

Mid-Point Data:

2007/08 Cost of Learning Index for a low-income family in NL: 148

2007/08 Cost of Learning Index for a low-income family in Canada: 250

Recent Data:

2011/12 Cost of Learning Index for a low-income family in NL: 128

2011/12 Cost of Learning Index for a low-income family in Canada: 269

Select Indicators in Detail

Low Income Cut-Offs (LICO)

The Low Income Cut-Offs are used by Statistics Canada to identify families and individuals who are substantially worse off than the average family. A low-income household is defined as one that spends 20 per cent more of its income on food, clothing, and shelter than the average family spends on these necessities. The rate of 20 per cent was settled on, somewhat arbitrarily, by Statistics Canada as a reasonable threshold of additional burden.

Using survey data, Statistics Canada determines the level of income at which families spend 20 per cent more of their income on food, clothing, and shelter than the average family spends on these necessities.

Each year Statistics Canada takes inflation into account to update a set of low income cut-offs for seven family sizes in five different sizes of communities, resulting in a set of 35 low income cut-offs. Larger communities have higher cut-offs for all family sizes. The LICO is weak in this area, in that the same cut-offs are calculated and used based on data from the entire country (for example, LICO has the same threshold in rural BC as in rural NL).

For 2011, for example, a family of four living in a rural area, such as Baie Verte, is considered to be living in low income if its after-tax income is less than \$23,879. The same family living in Grand Falls-Windsor needs an after-tax income of \$27,329 to be above the low-income cut-off, and a family of this size living in St. John's needs an after-tax income of \$30,871 to be above the low-income cut-off.

LICO thresholds are released by Statistics Canada in the Spring with a half year lag. For example, 2011 thresholds were released in June 2012. Data on how many families and individuals fall below these thresholds are released with approximately a two and a half year lag. For example, the 2011 low-income rates reported in this document were released in June 2013.

Market Basket Measure (MBM)

The Market Basket Measure estimates the cost of a specific basket of goods and services. Using this measure, a family is defined as having a low income if its disposable family income falls below the cost of the goods and services in the market basket for its community size.

The basket of goods and services includes specified quantities and qualities of food, clothing, footwear, shelter (including utilities), and items not included in LICO, such as transportation, personal care, telephone, school supplies, and modest amounts for reading, recreation, and entertainment.

Three thresholds are produced for Newfoundland and Labrador: rural areas with populations of less than 10,000; communities with populations of less than 30,000; and the St. John's Census Metropolitan Area.

Low-Income Measure (LIM)

Statistics Canada's Low-Income Measure (LIM) is primarily used for international comparisons and has been released annually since 1991. It is equal to one-half of the median adjusted family income, where the family income is adjusted for family size. LIMs vary with family size and composition, but they are the same in all parts of the country and, thus, do not reflect differences in the costs of living between communities of varying size.

The LIM is a national measure that differs from the other measures of low income in that it is based directly on income and is a purely relative measure that compares an individual or family's income to the median for the same family size. It is not based on the proportion of income spent on food, clothing and shelter nor on the cost of a basket of goods and services.

Newfoundland and Labrador Market Basket Measure (NLMBM)

In addition to reporting on the standard measures of low income used in Canada, the Government of Newfoundland and Labrador has developed a new measure to help provide more detailed information on low income in the province. The Newfoundland and Labrador Market Basket Measure (NLMBM) of Low Income is the first measure of its kind in Canada. An adaptation of Statistics Canada's Market Basket Measure, it incorporates modifications

that make it more specific to the realities of this province. Like the national MBM, it compares the incomes of families to the cost of a basket of goods and services necessary to live a productive and socially inclusive life. Unlike the MBM and traditional measures that use surveys to estimate low-income levels, the NLMBM uses tax-filer data and other sources to provide more accurate income and expense information. This allows for the reporting of low-income levels in communities and neighbourhoods as well as for other groups.

Newfoundland and Labrador's unique geography and population distribution can pose difficulties for traditional Canadian measures of low income. In particular, results for the MBM can only be reported at the provincial level, often leaving results for subpopulations such as single parents suppressed because of reliability issues. The NLMBM was designed by the Newfoundland and Labrador Statistics Agency in consultation with Statistics Canada to allow for provincial, regional, community and neighbourhood-level analysis as well as analysis of other subgroups such as age and family type by gender.

The Cost of Learning Index – low-income family

The Cost of Learning Index looks at how much more or less affordable university has become for a family right on the poverty line. The poverty line in this index is established by using the after-tax Low Income Cut Off thresholds for a two-parent, two-child family living in a city with a population between 100,000 and 499,999.

The Cost of Learning Index takes tuition and ancillary fees and adjusts that total for any increased income for the low-income family with children in that province – which in the case of LICO thresholds, would be annual inflation. So, if tuition and ancillary fees are going up at five per cent a year, but the LICO thresholds are also going up five per cent a year, then the index would neither rise nor fall.

Tuition is calculated as the weighted average for full-time undergraduates (*Table 8E 1a The Survey of Tuition and Living Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions (TLAC)*).

Ancillary Fees is defined as the weighted additional compulsory fees for full-time undergraduates (*Table 10E2 The Survey of Tuition and Living*

Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions (TLAC)).

For the purposes of this Index, the Canadian average in 1990 is fixed at 100, with the starting point for each province relative to that 100 point. (Newfoundland and Labrador's starting point was 82). A lower number means greater affordability. The values of the index have no direct interpretation other than identifying trends in affordability. For example, Newfoundland and Labrador's score in 2007/08 was 148 and in 2011/12 it was 128. That is a 20 point difference, meaning post-secondary education has become more affordable. The index allows for comparisons between jurisdictions. When Newfoundland and Labrador is compared against what is happening nationally (Canada's score for those years was 250 and 269 respectively), the data show that post-secondary education has become less affordable in Canada as a whole and that the gap between the Canadian average and Newfoundland and Labrador has widened.

The Cost of Learning Index was developed by the Canadian Centre for Policy Alternatives and uses Statistics Canada tables: 326-0020, 202-0605, and the Statistics Canada *Tuition and Living Accommodation Costs* Survey. Calculations by the Canadian Centre for Policy Alternatives.

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