

Empowering People

Engaging Community

Enabling Success

First Progress Report on the
Government of Newfoundland and Labrador's
Poverty Reduction Strategy



Published under the authority of:

The Honourable Susan Sullivan

Minister of Human Resources,
Labour and Employment

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

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Message from the Premier

I am very pleased to release our government's first progress report for our Poverty Reduction Strategy. When we formed government in 2003, we moved quickly to establish a strategic framework and long-term approach to further the development of Newfoundland and Labrador's economy and social safety net. Our government recognized that to build strength and prosperity we need to use our great wealth of natural resources to expand opportunities for the people of the province. This report shows that we are well along the path to success.

Our government has placed a strong focus on the removal of barriers and promotion of inclusion. To support this, we moved forward with the development and implementation of our Poverty Reduction Strategy. Our approach is comprehensive and long-term, with a clear focus on the prevention, reduction, and alleviation of poverty. Three years in, the strategy is now well integrated throughout government. More importantly, through effective partnership and ongoing dialogue, it is working for people and communities. There is a genuine passion and commitment at all levels to achieve success in this important work. Although our work is not yet done, our Poverty Reduction Strategy is one we should all take great pride in, as it has been nationally acclaimed as a model for other jurisdictions.

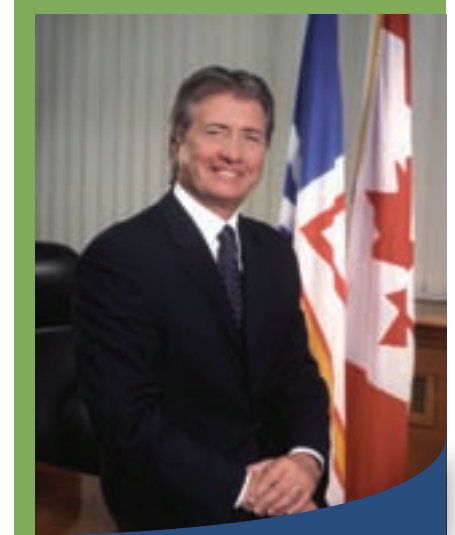
Empowering People – Engaging Community – Enabling Success: First Progress Report on the Government of Newfoundland and Labrador's Poverty Reduction Strategy demonstrates the significant progress being achieved to realize our bold commitment to become the province in Canada with the least poverty by 2014. The results outlined in this report demonstrate that we are making a real difference in the lives of people and in communities throughout our province.

With *Budget 2009: Building On Our Strong Foundation*, the investment in the Poverty Reduction Strategy is over \$132 million, and we will continue to make poverty a key priority. Through our collective commitment and vision we will ensure that future generations of Newfoundlanders and Labradorians are afforded every opportunity to be successful and share in our province's prosperity. Reducing poverty restores the balance of opportunity for all citizens in society. Together, we can and will succeed.



DANNY WILLIAMS, Q.C.

Premier



Message from the Minister

As lead Minister for the Poverty Reduction Strategy, I am pleased to present our first progress report, *Empowering People – Engaging Community – Enabling Success: First Progress Report on the Government of Newfoundland and Labrador's Poverty Reduction Strategy*. Three years into this important journey, I am proud to report that the indicators point to significant improvement in the fight against poverty in our province.

In June 2006, the Provincial Government released its guiding document for the Poverty Reduction Strategy: *Reducing Poverty: An Action Plan for Newfoundland and Labrador*. The *Action Plan* outlines a comprehensive and practical approach to prevent, reduce and alleviate poverty in Newfoundland and Labrador. It was developed 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. In 2008 a second round of consultations was held. I thank all those who participated in our consultation process for sharing their ideas, energies, and knowledge to help build and implement this strategy. I particularly want to express my gratitude to the many individuals living in poverty who shared their experiences and solutions. Your input has been vital to the development of this strategy.

While more work remains to be done, I am confident that the measures put in place represent a solid foundation upon which to build further momentum and success. I am proud that our government is investing over \$132 million in 2009-10 to support more than 80 initiatives under the strategy. Through these initiatives, the Poverty Reduction Strategy is enabling individuals and families in poverty to achieve greater self-reliance and to participate more fully in the life of the province.

I look forward to the next two years as we continue our progress in partnership with the community to improve access to services, strengthen our social safety net, improve earned incomes, increase emphasis on early childhood development, and provide for a better educated population.



SUSAN SULLIVAN, MHA

Minister of Human Resources, Labour and Employment

Minister Responsible for the Status of Persons with Disabilities

Minister Responsible for the Labour Relations Agency

Minister Responsible for Francophone Affairs

Minister Responsible for the Workplace Health, Safety and Compensation Commission

Minister Responsible for Youth Engagement



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Executive Summary

Empowering People – Engaging Community – Enabling Success: First Progress Report on the Government of Newfoundland and Labrador’s Poverty Reduction Strategy provides a comprehensive overview of the status of implementation of the provincial Poverty Reduction Strategy (PRS). Launched in 2006, *Reducing Poverty: An Action Plan for Newfoundland and Labrador* set out the strategic vision, guiding principles, key directions, and practical goals and objectives to realize the Government of Newfoundland and Labrador’s commitment to become the province in Canada with the lowest poverty rates in the country by 2014.

This report provides a summary of progress achieved towards meeting the goals and objectives of the 2006-10 PRS *Action Plan*:

1. Progress towards improved access to and coordination of services for people with low income
2. Progress towards a stronger social safety net
3. Progress towards improved earned incomes
4. Progress towards an increased emphasis on early childhood development
5. Progress towards a better educated population

A Poverty Reduction Division has been put in place to oversee the implementation of the strategy through an integrated, horizontal approach across departments and agencies. The strategy is overseen by a 12-member ministerial committee, which provides leadership and ensures commitment to poverty reduction and accountability for results. The Provincial Government’s investment in the new initiatives to support the strategy has grown from \$32 million in 2006-07 to over \$132 million in 2009-10. Over 80 initiatives have been funded to prevent, reduce, and alleviate poverty. These initiatives have been developed with consideration of gender, urban and rural differences and issues specific to Aboriginal people.

Progress towards a stronger social safety net includes increased support for persons with disabilities, enhanced accessibility of the justice system, further development of social housing, and increased and indexed Income Support rates. One of the best ways out of poverty is through meaningful paid employment, and a key goal of the PRS is the provision of greater supports to help people go to work, including removing barriers and financial disincentives to employment. Investments in early childhood development and education programs are included in the strategy as one of the best ways to prevent poverty and ensure that all children develop to their full potential.

By all available measures of low-income, the province is seeing significant improvement in reducing the overall level of poverty since 2003, the baseline year selected for evaluation of the strategy's effectiveness:

- Statistics Canada's Low Income Cut-Offs (LICO), the most commonly used measure of low-income in Canada, show significant improvements in the incidence, depth and persistence of poverty:
 - The incidence of low-income in the province decreased from 12.2 per cent (63,000 persons) in 2003 to 6.5 per cent (33,000 persons) in 2007, the latest date for which data are available.
 - The depth of poverty, or average low-income gap, decreased from \$5,500 in 2003 to \$4,900 in 2007 and is now the lowest in the country.
 - The persistence of poverty, or percentage of the NL population that fell below LICO for all years in a six year period, decreased from 3 per cent for 1996 to 2001 to 2 per cent for 2002 to 2007.
- Program indicators also highlight progress. For example, the Income Support caseload has decreased substantially, from 36,700 in 2003 to 31,323 in 2008, while from 2006 to 2009 basic individual and family benefits have increased by an average cumulative 11.6 per cent. A package of initiatives designed to remove financial disincentives to work has supported over 4,000 Income Support clients to start new jobs between 2006 and 2008.

Substantial work has been completed to meet the commitment of having in place a publicly accountable evaluation and monitoring process against which to assess the PRS. Fifteen key indicators have been identified, each of which can be viewed on its own or as part of the combined impacts to evaluate the effectiveness of the strategy in tackling poverty in the province. The Newfoundland and Labrador Statistics Agency (NLSA) has also developed the Newfoundland and Labrador Market Basket Measure (NLMBM) to reflect provincial realities at the regional and community level. As well as statistical measures, profiles of individuals and families paint a picture of the improvements experienced by Newfoundlanders and Labradorians in communities throughout the province as a result of the initiatives implemented through the strategy.

Much work remains to be done and many challenges lie ahead. However, the key national and provincial indicators of success included in this first progress report demonstrate that Newfoundland and Labrador's Poverty Reduction Strategy is on the right track. Engaging community groups, business, organized labour, municipalities, and citizens, particularly people living in and vulnerable to poverty, in public policy making, has been a vital part of the strategy's success. Poverty is a complex issue and one that the Provincial Government cannot tackle alone. In recognition of this, the Government of Newfoundland and Labrador is committed to continued consultation and to making required adjustments to strategic investments that respond to the needs of people living in poverty.

Introduction

Poverty is a complex social and economic issue that negatively affects individuals, families, and Newfoundland and Labrador society as a whole. In 2003 the Government of Newfoundland and Labrador committed to transform the province into the one with the lowest rate of poverty in Canada by 2014.

Work within the Provincial Government began quickly with early initiatives, including increases to Income Support rates, improvements to client earnings exemptions, improved child benefits, additional measures to support single parents and persons with disabilities to participate in the labour market, and the introduction of the Low Income Tax Reduction.

In 2005 the Provincial Government committed to develop a comprehensive government-wide Poverty Reduction Strategy (PRS) in consultation and collaboration with community partners and people living in and vulnerable to poverty. The comprehensive, integrated approach makes the connections between poverty and gender, education, housing, employment, health, social and financial supports, and tax measures, as well as the link between women's poverty and their increased vulnerability to violence. Another important consideration is differences between rural and urban areas of the province. Community engagement has been an essential element of the PRS and critical to its success.

Success in the long term requires an active and ongoing dialogue with the community and strong leadership across government. In 2005 consultations were held to support the development of the strategy. The Provincial Government encouraged everyone to participate; community leaders, advocacy groups, service providers, union and business leaders, people living in and vulnerable to poverty and many other concerned individuals provided rich insight to inform the development and implementation of the strategy.

In June 2006, *Reducing Poverty: An Action Plan for Newfoundland and Labrador* was released with three key directions—to prevent, reduce, and alleviate poverty. The 2006-10 *Action Plan* includes guiding principles, goals and objectives. These were developed based on what was heard during the consultation process as well as best practices from other jurisdictions and research.

Guiding Principles

The Government of Newfoundland and Labrador is committed to the following principles as it works with all partners to prevent, reduce, and alleviate poverty:

- Taking a long-term approach
- Focusing on prevention
- Building on partnerships
- Finding the right policy mix
- Demonstrating accountability and measuring progress
- Taking an integrated and coordinated approach
- Addressing rural and urban differences
- Consideration of gender
- Consideration of Aboriginal issues

The PRS has been built on this strong foundation. With the new initiatives, more than \$132 million has been allocated in 2009 for PRS initiatives to prevent, reduce, and alleviate poverty.

Ongoing public and stakeholder dialogue remains a key strength and important part of the process used to build the PRS. A second public engagement process was held in the Fall of 2008 and Winter of 2009. A predominant theme from the 2008-09 consultation process is that the PRS is making a positive difference and is on the right track. This was expressed by individuals living in and vulnerable to poverty, community-based groups involved in both advocacy and service delivery, and business and labour organizations. This view is also reflected in the statistical and government program data as well as the experiences of individuals and families highlighted throughout this report.

Another important aspect of the PRS approach is to work in collaboration with other government initiatives to meet shared goals and objectives. In addition to initiatives developed and implemented as part of the PRS and connections to other strategies, the Provincial Government's approach to addressing the fiscal and social needs of the province has promoted the growth of Newfoundland and Labrador's economy. Investments in infrastructure, lower taxes, and reducing the province's debt have strengthened the labour market and opened up new opportunities for diversification of the economy. A strong and vibrant economy provides decent paying jobs as well as the means for appropriate and sustainable investments in the social safety net. This broader economic context, including improved employment prospects, are significant factors in the success achieved and outlined in this progress report.

Research has been undertaken to better understand the reasons behind the vulnerability of different groups to poverty and to look at best or promising practices for solutions. In addition to examining recommendations from provincial, national and international community-based groups and research organizations, areas have emerged in which additional research has been necessary. Research includes a gender as well as a rural lens. For example:

- A study is underway to look at transportation issues for people with low-income in the province
- Pilot projects with a large research component are being developed on how best to work with disengaged youth and prevent young people from dropping out of school as well as on a home visiting program to support vulnerable families with young children
- Community-based groups are being supported to develop ways to best assist people with complex mental health issues and other needs
- Research is being conducted on the issues that lead to high poverty rates for older adults
- A review of the Income Support benefit and rate structure is being conducted

This PRS progress report is the first in a series that will be released every two years. Measuring and tracking progress on such a long-term and systemic issue is difficult. Challenges include acquiring current data, capturing progress made in preventing poverty, and gaining knowledge of the many ways in which people's lives are influenced by their social and economic circumstances.

The first section of this report, "Action Plan Progress," focuses on the achievements of many of the PRS initiatives implemented between 2006 and 2009 to prevent, reduce and alleviate poverty in Newfoundland and Labrador. The next section, "Indicators," gives an overview and highlights current results of the 15 indicators selected to monitor and track the overall impact of the PRS. The "The Road Ahead to 2014" section looks at next steps as Newfoundland and Labrador continues to make progress towards becoming the province in Canada with the least poverty. Real-life experiences are highlighted in the "Profiles: The PRS in Action" section. Appendices provide a list of initiatives supported by the strategy and additional detail on indicators.

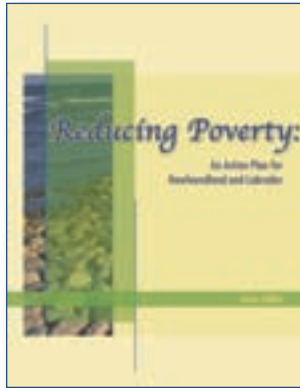
Reducing poverty and enhancing inclusion restores the balance of opportunity for all. It strengthens communities, and ultimately the province. Developing and implementing long-term, sustainable solutions to poverty requires many players, and the successes to date are shared ones that could only have happened with the strong partnerships that exist within this province.

Community partners, including groups that provide services and those that undertake advocacy, business, organized labour, and many Provincial Government departments and agencies continue to collaborate and work together on a shared vision. This vision is of a more prosperous province where all individuals are valued, can develop to their full potential, and have access to the supports they need to participate fully in the social and economic benefits of Newfoundland and Labrador. The results presented here give hope for the future. This Progress Report demonstrates the significant results achieved to date. Newfoundland and Labrador is well along the path to becoming the province in Canada with the least poverty.

"Quebec and Newfoundland and Labrador have anti-poverty strategies and clear objectives to improve the lives of people living in poverty and we see it having a positive impact."

—National Council on Welfare, Welfare Incomes 2006-07

Action Plan Progress



Based on key directions to prevent, reduce and alleviate poverty, five goals are included in the *Action Plan* to guide the strategy:

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

Each goal is supported by medium-term objectives against which progress is reported below. While many of the over 80 new initiatives supported by the strategy contribute to more than one objective or goal, initiatives have been placed under the goal and objective to which they have the strongest or most direct link in order to avoid repetition. Examples of individual and family profiles are highlighted here and described in detail in a later section to illustrate the combined impact on people's lives that were brought about by the PRS.



Minister Sullivan discusses the Vibrant Communities Initiative with Ruth MacDonald (Vibrant Communities, St. John's) and Penelope Rowe (Community Services Council)

Goal 1:

Progress towards improved access to and coordination of services for people with low income

Government has repeatedly heard about the need to improve access to and coordination of services for people in poverty. Oftentimes, people do not know where to go to get information on services or who to turn to for help. Participants in the 2005 and the 2008-09 Poverty Reduction consultations, particularly people living in poverty, consistently raised this as an issue. Government is working on several fronts to achieve this goal, including improving the promotion of programs and services, simplifying application processes, and advising the public on changes to programs and services, such as changes to eligibility criteria.

As well, the PRS Division is working closely with the Department of Finance and other partner departments to develop a clearer understanding of how increased income and changes to policies and programs affect other benefits. Policy makers, families and individuals need to know the combined impact that changes to benefits and eligibility rules have on existing benefits and programs. This includes the complex issue of how the provincial and federal income taxation systems interact with benefit and program eligibility rules.

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

- The Poverty Reduction Division was established to oversee the implementation of the strategy and to promote greater dialogue across departments and agencies and with the broader community. The focus is to ensure that poverty is given full consideration in policy and program development throughout the Provincial Government. A significant aspect of the Poverty Reduction Division is linking up and working together with other strategic initiatives, such as the Violence Prevention Initiative, the Provincial Policy Framework for Mental Health and Addictions Services, the Early Learning and Child Care Plan, the Provincial Wellness Plan, the Provincial Healthy Aging Policy Framework, the Skills Task Force Report, the Northern Strategic Plan for Labrador, and the new Social Housing Plan for Newfoundland and Labrador.

To contact the Poverty Reduction Division:

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povertyreduction@gov.nl.ca

PRS Ministerial Committee Members

Minister of Human Resources, Labour and Employment

- Minister Responsible for the Status of Persons with Disabilities
- Minister Responsible for the Labour Relations Agency
- Minister Responsible for Youth Engagement

Minister of Finance

Minister of Aboriginal Affairs

Minister of Labrador Affairs

Minister Responsible for Housing

Minister Responsible for the Volunteer and Non-Profit Sector

Minister of Innovation, Trade and Rural Development

- Minister Responsible for the Rural Secretariat

Minister of Education

Minister of Health & Community Services

Minister of Child, Youth & Family Services

Minister of Justice

Minister Responsible for the Status of Women

- The Poverty Reduction Division also works to ensure that people living in poverty are considered in the development of new policies and programs across government. The strategy is overseen by a committee of 12 Ministers, a Deputy Ministers' Committee, and an Interdepartmental Working Group. The Ministers' Committee provides leadership to ensure that comprehensive solutions are funded and implemented. The Division helps departments analyze the impact of their policy and program decisions on individuals and families with low-income and advises on solutions to potential problems.

"The Poverty Reduction Strategy has greatly improved the way we relate to the Provincial Government. It has spearheaded collaborative approaches to funding, program delivery and evaluation across government, resulting in a more integrated approach to programs and services and, most importantly, more inclusive communities for vulnerable citizens."

—Jocelyn Greene, Executive Director,
Stella Burry Foundation

1.2 Improved access to existing programs and services

- Released in October 2008, a guide to *Government of Newfoundland and Labrador Programs and Services for Individuals and Families* was developed to improve awareness of and access to Provincial Government programs and services that help individuals and families with low-income. Feedback on the guide from individuals and community groups has been very positive. It provides information on more than 80 Provincial Government programs and services. This plain-language document is available online and in print, as well as in large print, Braille, and audio. As of September 2009, more than 15,000 copies have been distributed.
- A number of community-based groups that assist low-income individuals and families to access government and community-delivered programs and services have been supported by the PRS:
 - As of March 31, 2009, more than 3,500 children in Newfoundland and Labrador have benefited from the Canadian Tire Foundation for Families Jumpstart program, which assists children and youth to access recreational activities in their communities in a non-stigmatizing way. This program receives \$350,000 annually through the PRS.
 - Funding to the eight Women's Centres throughout the province has been increased by over 55 per cent. These centres provide advice to women and help them access the programs and services they need. Women's centres also undertake public education, foster leadership, conduct research and deliver services.



- Funding for the eight Community Centres in Newfoundland Labrador Housing (NL Housing) neighbourhoods has been increased by \$592,000 from Budget 2006 to Budget 2009. The Community Centres provide NL Housing tenants with opportunities to engage in social, educational, recreational, employment, career development, and health and wellness programs. In addition to connecting tenants with existing programs, they develop new ones to meet the needs of their communities.

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

- The Department of Finance has developed and continues to refine ways to show the combined impacts of federal and provincial programs on people with low-income. As a result of work in this area, the development of new policies and programs now includes an analysis of how new benefits or increased earnings will affect current benefits that low-income families are receiving. Thus, for example, more benefits are now phased out gradually as income rises. This ensures that individuals and families with low-income do not lose more than they gain by increasing their employment earnings.
- A significant issue for Income Support clients had been that the loss of benefits when they went to work sometimes had greater value than the wages they earned while working, so they could end up being worse off by working. Through coordinated work of the PRS and increased understanding of combined effects of benefits across departments, significant progress has been made in removing barriers and disincentives to work. More than 4,000 Income Support clients went to work between 2006 and 2008 supported by a set of poverty reduction initiatives developed to ensure that it makes financial sense to go to work.

In the case of clients who leave Income Support for work, an analysis of the combined impact of income tax rules and the rules that govern eligibility for various benefits led to a series of program changes. A family such as John and Yvonne's (highlighted in the "Profiles" section on page 33 of this report) where both adults went to work, now continues to receive benefits that reduce their day-to-day costs on necessities by about \$5,350 annually. In 2003 they would not have been eligible for these benefits if they had gone to work. Access to these benefits, combined with other changes, means that their net income (after costs) from working increased from \$22,206 in 2003 to \$29,712 in 2009. **This means they are now over \$7,500 better off** (constant 2009 dollars to control for inflation).

1.4 Working with Aboriginal people to improve quality of life

- The Cost of Living Allowance (coast of Labrador) for Income Support clients had been provided only to families with dependent children. The Aboriginal Women's Conference and feedback during PRS consultations highlighted that this was an issue, particularly for older adults and families who would lose this benefit when their youngest child turned 18. This benefit has been expanded to all Income Support clients who maintain a residence in coastal Labrador.
- Increased funding for the Air Food-lift Subsidy in 2008-09 means that it now provides a full air freight subsidy on fresh milk all year round for eligible communities; provides an air freight subsidy during the marine service season to ensure that fresh fruit, vegetables, bread, and dairy products are more readily available to eligible isolated communities; and covers 80 per cent of the air freight costs for all eligible communities.
- In addition to these initiatives, the Government of Newfoundland and Labrador works to ensure that Aboriginal people living off-reserve have access to general programs and services and works to deliver programs and services that are sensitive to the cultural and economic circumstances of Aboriginal communities. For example: The Guide to *Government of Newfoundland and Labrador Programs and Services for Individuals and Families* was mailed to all households along the north coast of Labrador.

Other Supporting Government Actions:

- Since 2003 Aboriginal Affairs has been working with Aboriginal groups and the Federal Government to help Aboriginal people and communities improve their quality of life. Some of the achievements include:
 - Ratification, signing and implementation of the Labrador Inuit Land Claims Agreement.
 - Creation of a First Nations reserve at Sheshatshiu in 2006.
 - Signing of a land transfer agreement to expand the First Nations reserve at Conne River.



Minister Patti Pottle and Minister Shawn Skinner meet with residents of Hopedale to discuss the Poverty Reduction Strategy

- Signing of a Self-Government Framework Agreement with the Miawpukek First Nation.
- The Government of Newfoundland and Labrador also continues to express support for Labrador Metis Nation members in their quest to gain access to federal programs and services intended for people of Aboriginal descent.
- The implementation of the Labrador Inuit Land Claims Agreement, the signing of the New Dawn Agreement and the eventual completion of a Self-Government Agreement with the Innu will provide the Inuit and Innu with access to resource royalties and impact and benefits agreements. This will allow them to participate and benefit from economic development in their regions, improve social outcomes and promote healthy Aboriginal communities.
- The Northern Strategic Plan was released on April 20, 2007. In the third year of the Plan, there are 188 commitments with a total investment of \$430 million (\$137 million in new initiatives) to support social and economic development within Labrador. It sets out a new, comprehensive course toward a stronger and more prosperous future for all Labradorians. It includes many initiatives that will be of benefit to Aboriginal communities in Labrador, particularly the \$8 million over five years (\$1.6 million annually) for an electricity rebate for homeowners using diesel generated power in rural isolated communities along the Labrador coast.
- The Department of Labrador and Aboriginal Affairs provides a \$100,000 Suicide and Detrimental Lifestyles Grants Program which provides funding to Aboriginal organizations to develop innovative programs that are targeted at improving the health, circumstances and well being of Aboriginal youth throughout the province.
- More than 30 projects have been funded through the Violence Prevention Initiative in Aboriginal communities in Newfoundland and Labrador to prevent violence against Aboriginal women and children as well as older adults and other vulnerable populations.
- The Department of Health and Community Services hired additional staff to support Aboriginal groups accessing project funding through the Aboriginal Health Transition Fund. Work is also underway to ensure an increased Aboriginal perspective is brought to Provincial health policy and program development.

Goal 2:

Progress towards a stronger social safety net

There are times when people have difficulty supporting themselves or their families. An adequate social safety net helps adults and children through these difficult times and helps break the cycle of poverty by supporting people to develop to their full potential and participate in their communities. Through the PRS, numerous initiatives have been implemented to create a stronger social safety net in the province, including increased support for persons with disabilities, enhanced justice system supports, increased access to affordable housing, and increased Income Support rates.

2.1 Increased supports to enable persons with disabilities to participate fully in society

- Increased funding to adults with disabilities living with family members (parents, grandparents, siblings) so that they receive the same board and lodging supplement as people with disabilities who live with non-relatives. This policy change has resulted in an increase of up to \$362 a month, or \$4,344 annually, per person. Seventeen hundred individuals have benefited from this increase as of March 2009.
- Increased access to the Special Child Welfare Allowance Program to help families with the additional costs associated with caring for children with developmental or physical disabilities. Registered Education Savings Plans and Registered Retirement Savings Plans, for example, are no longer considered assets when determining eligibility, resulting in increased access to the program.
- Funding to support the Newfoundland and Labrador Association for Community Living to develop promotional materials to assist families in setting up trust funds on behalf of adults with disabilities who require supportive services.

Other Supporting Government Actions:

- The Government of Newfoundland and Labrador is committed to making sure that people with disabilities are included in all aspects of society. To help achieve this goal, the Provincial Government established the Disability Policy Office in 2009 to work with people with disabilities and all government departments, and the PRS, in developing policies and programs that are barrier free. This work is important to make sure everyone has the same opportunities. The purpose of the office is to:
 - promote the inclusion of persons with disabilities in all aspects of society
 - engage people with disabilities and advocates in developing ways to identify and remove barriers
 - help all government departments and agencies ensure their policies and programs are inclusive of people with disabilities

- promote positive attitudes, and
 - raise awareness of disability issues.
- A Provincial Advisory Council for the Inclusion of Persons of Disabilities was established in 2009. The Council will advise the Minister Responsible for the Status of Persons with Disabilities on matters relating to persons with disabilities. It will also advise government as policies, programs, strategies and recommendations are developed to advance the inclusion of persons with disabilities. The Council will work in consultation with persons with disabilities, advocates, educational institutions, employers and all levels of government.

2.2 Enhanced justice system supports for vulnerable people

- As of March 31, 2009, an increase in funding to support civil legal aid has resulted in an additional 275 low-income clients throughout the province being able to access family and civil legal aid.
- Establishment of a Family Violence Intervention Court in St. John's to provide a collaborative approach to addressing family violence issues, including intervention programs for eligible offenders and counselling options for victims, including children.
- Expansion of Family Justice Services to provide a multidisciplinary approach to family law and court-related services. Services include a parent education program and dispute resolution and counselling for families working through issues of custody, access, and child and spousal support. Funding from the PRS enabled this to grow from a pilot in one region to a provincial program with 11 sites throughout the province.
- Funding to improve the quality and effectiveness of legal aid services for children and parents in child protection cases in the Western Region through a Child, Youth and Family Services team.
- Changes to the Human Rights Code to prevent discrimination based on source of income, such as Income Support and student assistance.
- Additional funds to expand legal services to individuals with mental health issues who require family and civil law assistance. The Mental Health Project is a partnership between the Legal Aid Commission and the Canadian Mental Health Association to implement programs that improve legal services to individuals with mental health issues. This project, funded by the Federal Government, has a mandate to analyze different models and determine an effective way of assisting people with mental health issues in the early stages of the criminal justice system, at court and at release. The additional funding through the PRS addresses additional needs associated with the proclamation of the province's new *Mental Health Care and Treatment Act*.

- Other Supporting Government Actions:
- The Government of Newfoundland and Labrador in Budget 2007, announced \$424,000 annualized Northern Strategic Plan funding to improve access to interpretation services in the justice system through the establishment of an Aboriginal interpretation project for Innu and Inuit communities. This funding provided for the development, publication and printing of Innu-aimun and Inuktitut glossaries in Criminal Law in 2007-08 and Family Law in 2008-09.
- A criminal law interpreter training pilot program was developed by the Department of Justice and delivered in partnership with the College of the North Atlantic. Sixteen Innu and Inuit students graduated in March 2008 in Happy Valley-Goose Bay. The 2008-09 budget allocation provided for the development and delivery of an interpreter training program in Family Law. This course commenced in Happy Valley-Goose Bay in February 2009. Thirteen Innu and Inuit students graduated from the family law program in March 2009.

2.3 Increased availability of affordable housing

- Through the NL Housing Rent Supplement Program, 225 rent supplement units in private rental accommodation have been made available to tenants with low-income between April 2008 and March 2009. The average supplement is \$360 a month per household.
- The NL Housing's rent-geared-to-income (RGI) formula was changed for social housing tenants with employment earnings. In 2006 rent was reduced by changing the base from gross to net income, and in 2009 it was further reduced by going from a sliding scale of between 25 per cent and 30 per cent of income to a flat 25 per cent of income.
- Similarly in 2007, the RGI scale was also adjusted from a sliding scale of between 25 and 30 per cent to a flat 25 per cent of income for all NL housing tenants aged 55 and over. The result is a rent reduction of about \$42 a month (\$500 a year) for the approximately 1,500 seniors living in social housing units.
- Through NL Housing, funding of \$1 million was provided to establish a Provincial Homelessness Fund. This fund provides additional capital investments to address space requirements for non-profit organizations to deliver services to clients with complex needs who are often at risk of homelessness.
- Funding was provided to support a new Affordable Housing Program, which supports both private and non-profit housing groups to assist with the construction of suitable housing for people with low-income (\$2.65 million) and with constructing social housing units for persons with disabilities (\$550,000) and for low-income seniors (\$3 million).
- Many Income Support clients with specific needs, such as a disability, large family, and high rental rates in urban areas, have difficulty finding accommodations. Through the PRS more than \$2.7 million has been invested to increase Income Support's additional assistance for shelter rate. This funding provides additional support on a case-by-case basis to respond to specific housing needs.

- Funding of \$1 million was provided to construct new, smaller social housing units to meet changing demands.
- Funding to renovate and implement energy retrofits for social housing was provided as part of a modernization and improvement program.

A widower such as Fred (highlighted in the “Profiles” section on page 34 of this report) has an income of about \$1,200 higher in 2009 compared with 2003 (constant 2009 dollars to control for inflation). This is primarily a result of increases to Old Age Security and Guaranteed Income Supplement, coupled with changes to NL Housing rules, Low Income Tax Reduction and enhancements to the NL Seniors’ Benefit.

Other Supporting Government Actions:

- Between April 2006 and March 2009, 204 new affordable housing units were constructed with funding assistance from the Federal-Provincial Affordable Housing Agreement Phases I and II and the Housing Trust Funds.
- In consultation with Aboriginal groups, NL Housing oversees the allocation of a federally funded Aboriginal Housing Trust to improve housing for Aboriginal people living off-reserve. The province’s allocation from this funding is \$8.2 million over three years, of which the Nunatsiavut Government received \$2 million. After consultations between the Provincial Government and Aboriginal groups there was unanimous support for the development of an Off-Reserve Aboriginal Home Repair Program as the primary expenditure priority. This program is delivered by the Aboriginal organizations and it follows closely the parameters of the Provincial Home Repair Program delivered by NL Housing. As of July 2009, 750 applications were received and 246 have been approved with an average cost of \$8,250.
- Since 2004 the Provincial Government has assisted individuals and families with the high cost of heating their homes through the Home Heating Rebate Program. The program is available to all residents with a family net income of \$40,000 or less, regardless of the primary source of heat. In 2007-08 approximately 76,000 rebates were provided, for a total program value of \$17 million. An annual maximum of \$300 is provided where the fuel source is heating oil, stove oil, or propane; a maximum of \$200 is available where electricity, wood, or wood products is used. In 2008-09 the maximum amount for residents of coastal Labrador was raised to \$500, regardless of the source of heat.
- A number of additional measures have been undertaken to address the high cost and availability of heat and electricity in coastal Labrador:
 - a \$1.6 million (annually) subsidy program to reduce electricity costs for residential customers served by diesel generation in coastal Labrador

- additional subsidies have been provided to defer electricity rate increases for isolated diesel-powered communities on the island and the Labrador coast
 - a community pilot project on energy efficiency in Port Hope Simpson and Hopedale to help residential and commercial customers manage energy costs, and
 - an alternative energy study is being conducted in seven coastal Labrador communities to assess the potential for complementing existing diesel-generation systems with alternative energy sources.
- As well, NL Housing has established for 2009 a new Residential Energy Efficiency Program for lower-income households as part of *Focusing Our Energy*, the Provincial Government's Energy Plan. The program assists homeowners with a household income level of \$32,500 or less who use home heating fuel or electricity. The program will pay for a pre- and post-energy inspection and provide grants up to a maximum of \$3,000 (\$4,000 in Labrador) to make identified improvements, such as heating system upgrades, basement and attic insulation, and draft-proofing. Approximately 1,000 households a year for the next two years will benefit from this program.

2.4 Improved access to necessities for those most vulnerable to poverty

In addition to raising and indexing Income Support rates noted in the next section, PRS initiatives to improve access to necessities for people most vulnerable to poverty include:

- As of March 31, 2009, the expansion of the Newfoundland and Labrador Prescription Drug Program is providing coverage to more than 32,000 additional people. This supports people working for lower wages as well as removes a major financial disincentive for Income Support clients to work.
- The Newfoundland and Labrador Dental Plan was expanded to include dental services for youth between the ages of 13 and 17 in low-income families. Prior to this, only children aged 0 to 12 and youth 13 to 17 in families receiving Income Support were covered under the plan. Between September 2007 and March 2008, more than 1,900 children benefited from this initiative.
- A youth addiction, prevention and early intervention program is under development. An annual commitment of \$1.3 million has been made to hire outreach workers who will work closely with schools, Community Youth Networks and Community Centres.
- PRS investments have been made to support residential and transition services for youth through a supportive board and lodging model delivered by Central Health. This initiative is providing a valuable service to youth in an effort to create a more healthy transition out of Child, Youth and Family Services and on to the next stage of their life. Since March 2009, approximately 12 youth have benefited from this program.

- Establishment of a Supportive Living Community Partnership Program to support community-based initiatives that enable individuals with complex mental health issues and other needs to avoid or overcome homelessness. In 2009 \$1.2 million is being invested in this important program to help individuals with complex needs achieve greater self-reliance.
- Development of a \$250,000 grant program to community-based not-for-profit organizations that provide support to clients with complex needs. This one-time grant program supports a number of activities, including research to develop and run pilot projects and professional development of staff to support this vulnerable group.
- As of March 31, 2009, funding through PRS has helped 190 Kids Eat Smart Programs provide healthy meals to 17,000 children throughout the province.
- Commitment of \$7.5 million to restructure the home support financial assessment process to make home support more affordable for low-income individuals and couples. The changes significantly reduce an individual's or couple's required contribution levels to home support. For example, if a couple has an income of \$2,000 per month and \$900 of eligible expenses, under the former program they were expected to contribute \$1,100 per month in order to receive subsidized home support. As of December 2009, with the new income-based financial assessment in place, this couple will be required to contribute less than \$150 per month.

Smallwood Crescent Community Kitchen is a model example of what communities can achieve (highlighted in the "Profiles" section on page 35 of this report). Supported by increased funding through the PRS, the Community Kitchen has a cooking group that meets daily to learn to cook nutritious meals on a low budget while having fun and socializing. Participants not only share a meal and bring meals home to their families, but also, through partnerships with other organizations such as the Eastern Regional Wellness Coalition, have increased access to other programs, services and information.

Other Supporting Government Actions:

- In 2007 the Provincial Government enhanced the Seniors' Benefit for senior couples by raising the income thresholds, benefiting 5,900 couples in the province. In 2008 this benefit was further enhanced for single seniors, including widows and widowers, and more equitably reflects that their cost of living is not substantially different from that of a senior couple. Overall, 31,500 seniors are benefiting as a result of these changes to the Seniors' Benefit.
- In 2007 increases were made to the Medical Transportation Assistance Program for residents that incur significant travel costs in order to receive medical treatment. Residents of Labrador are now reimbursed the first \$1,000 for eligible travel expenses during a 12-month period. This is compared to \$500 before the changes, resulting in a savings of \$500 for individuals. The daily rate for registered accommodations has been increased to \$125 (up from \$75).

2.5 Increased Income Support rates

- The Income Support program is a cornerstone of the social safety net. As of April 2009, there has been an average cumulative increase of 11.6 per cent in basic individual and family Income Support benefit rates since June 2006:
 - In July 2006, basic individual and family Income Support benefit rates were increased by five per cent.
 - In order to prevent these rates from losing ground relative to inflation, as they had in the previous decade, the Income Support rates were indexed. This ties basic individual and family Income Support benefit rates to the Newfoundland and Labrador Consumer Price Index for a test period of six years. Indexation of the rates ensures that Income Support clients will become no worse off over time because of inflation.
- The rates for Income Support health benefits, such as eye exams, glasses and dentures, as well as the special diet allowance, have been increased.
- Income Support clients renting from relatives are now eligible for the higher level of rental amount that was previously provided only to renters living with non-relatives.

"We see hope in Welfare Incomes 2006 and 2007 in the fact that for the lone parent with a pre-schooler in Newfoundland and Labrador and in Quebec, their total welfare incomes reach a sufficient level of adequacy to give them a reasonable chance in life. What is even more encouraging is the fact that both these jurisdictions have comprehensive provincial strategies in place for preventing and reducing poverty. This means that social assistance is integrated into a larger social and economic framework with links to child care, health, education and labour market policies, and the kind of services that are critical to Canadians with special and multiple needs."

—National Council on Welfare, Welfare Incomes 2006 and 2007

Goal 3:

Progress towards improved earned incomes

For many individuals and families, living in poverty means social exclusion and a daily struggle to meet basic expenses. People who do not have access to decent paying jobs often lack the financial resources to pay for adequate food, shelter, clothing, energy, and transportation.

One of the best ways out of poverty is through a sufficient level of paid employment. However, for individuals with little or no direct experience in the labour market, multiple barriers often get in the way of their participation. These barriers can include low literacy and skill levels, a visible or hidden disability, family violence, lack of labour market information upon which to make an informed employment or training decision, and disincentives to work. Disincentives may include loss of prescription drug coverage, lack of funds to pay for work clothes, and cost of child care. People with complex needs often face additional barriers, including addictions, mental illness, social exclusion and a lack of the social and life skills necessary to function in the broader community.

Some benefits, such as prescription drug coverage, had been directly tied to receipt of Income Support, and the loss of these benefits made it financially unfeasible for people to accept jobs. Thus, people working for low wages sometimes found themselves no better off financially than those receiving Income Support. The PRS has placed a strong focus on providing benefits to low-income individuals and families, whether or not they are receiving Income Support. Breaking down the “welfare wall” and removing disincentives to work are central to the ongoing success of the Strategy.

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

A focus of the PRS has been to reduce barriers to work and increase support for low-income workers. The following initiatives have worked together to help support over 4,000 Income Support clients to start new jobs between 2006 and 2008:

- Increasing earnings exemptions by allowing Income Support recipients to keep an additional 20 per cent of earnings in addition to the flat rate exemption, thereby encouraging increased employment.
- Allowing Income Support recipients to keep full Income Support benefits for the first month of employment, regardless of income, in recognition of the initial costs of going to work.
- Providing a Job Start Benefit of \$125 for single people and \$250 for people with families to assist in making the transition from Income Support to employment.
- Simplifying the process for Income Support clients to report earnings.

- Increasing the maximum monthly rates of private child care by \$75 a child for working Income Support clients.
- Increasing the daily rate for subsidized licensed child care to reduce or eliminate surcharges to parents.
- As highlighted earlier, a number of benefits, including prescription drug coverage and dental coverage for youth aged 13 to 17, were expanded beyond the Income Support program to include people working for low wages.

The combined impact of the PRS initiatives to remove financial disincentives for Income Support clients to work has made a real difference to people such as Elizabeth (highlighted in the “Profiles” section on page 36 of this report.) In 2003 Elizabeth, a single parent of two young children, considered working but between the cost of child care, fear over losing her prescription drug card and various other financial disincentives, she decided she was better off staying home with her children. In 2003 Elizabeth's total income was about \$22,000. If she had gone to work her total income would have been about \$32,000 but she would have had to bear additional child care costs and other work-related expenses. In 2009 she is happy to be working and has an income of \$36,675 while also being eligible for the Access Plan prescription drug program and a private child care benefit. (All amounts are in 2009 constant dollars to take inflation into account.)

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. In the 2008-09 school year, more than 1,000 female and 2,800 male students participated in the high school Futures in Skilled Trades and Technology Program, which was funded through the PRS.
- As of March 31, 2009, through the provincial justice system, 47 inmates, including eight women, have completed offender employment skills training through the National Employability Skills Program in Newfoundland and Labrador since 2007. Such programs can contribute to reducing recidivism rates and allow those who have completed sentences to become productive members of society.
- The Bridging the Gap: From Education to Employment Program, led by the Random North Development Association, is currently being expanded through PRS funding. This program provides skills development, employment readiness, customized training and an opportunity for continued employment. Bridging the Gap helps participants develop practical workplace and personal skills by bringing them together with expanding employers in a facilitated, learner-focused environment. Seven businesses have been selected to train and employ up to 40 local participants this year.

Other Supporting Government Actions:

- The 2006 PRS *Action Plan* highlighted as a priority improving the Provincial Government's ability to support the development of employment skills through a Labour Market Development Agreement (LMDA) that was more responsive to provincial needs. Signing an agreement with the Government of Canada on September 5, 2008, to devolve the LMDA was a significant step. Under a devolved LMDA, effective November 2, 2009, the Provincial Government assumes responsibility for the design and delivery of EI-funded Employment Benefits and Support Measures in the amount of approximately \$133 million annually. The devolved LMDA is an important component of the overall approach to meeting the current labour market needs of Newfoundlanders and Labradorians.
- A new Labour Market Agreement (LMA) has been negotiated that will provide federal funds to support vulnerable individuals in our province: those who are not EI-eligible, have low skill levels, or are affected by the current economic downturn. The new LMA will provide these individuals with specific programming to meet their needs.

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

- Poverty reduction advocates have consistently linked increasing the minimum wage to poverty reduction. The minimum wage in Newfoundland and Labrador has increased by 50 per cent, from \$6.00 an hour in 2003 to \$9.00 an hour as of July 1, 2009, and is scheduled to rise to \$10.00 in 2010.
- Ensuring that the income taxation system does not place an unfair burden on low-wage workers is also important. Low-Income Tax Reduction is a key initiative to support low-wage workers. First introduced for the 2005 income-tax year and greatly enhanced in 2009, this program eliminates the provincial portion of income tax for individuals with net incomes less than \$15,911 and families with net incomes less than \$26,625. Provincial income tax is reduced for individuals with net incomes less than \$19,399 and families with net incomes less than \$31,863. This targeted tax measure protects people with low-income from carrying an income tax burden. Almost 50,000 tax-filers will benefit in 2009.
- Through the PRS, the department of Innovation, Trade and Rural Development has provided funding to the Newfoundland-Labrador Federation of Co-operatives for a micro-lending program. A micro loan is a development tool that provides small business start-up capital in the form of sequential repayable loans to people with low incomes and/

"This measure (Low Income Tax Reduction) is taken to ensure that individuals in receipt of low-income receive the greatest benefit from announced increases in the minimum wage. For the 2009 taxation year, approximately 47,000 individuals will receive benefits under the Low-Income Tax Reduction program. An individual with an income of \$16,000 will save \$544 annually, while a family with an annual income of \$26,000 will save almost \$800 annually."

—The Hon. Jerome Kennedy,
Minister of Finance

or those who do not qualify for traditional bank loans. In addition to the loan, individuals participate in peer lending groups and receive professional support through mentorship and business skills facilitation to develop their micro-enterprise. Two peer lending groups involving 16 entrepreneurs are operating in Grand Falls-Windsor and in St. John's, with a second group of eight participants mobilizing in the St. John's region.

3.4 Establish an alternative to Income Support for youth

While not incorporated into funding for the PRS, the Department of Human Resources, Labour and Employment (HRLE) is supporting this objective by working cooperatively with the federal government on a Youth Connect Program. This demonstration program provides new youth applicants for Income Support with an alternative model of financial support and includes a strong research component. Services offered to youth in a highly structured and intensive environment include career planning, job search, job placements, job maintenance, and support for skills development. Youth Connect staff members assist youth to connect with a range of interventions and supports to address their social and personal barriers. Evaluations of this research project will compare results of youth who participate in Youth Connect to those of youth who receive regular Income Support. This project will help inform policy development on the most appropriate supports for youth applying for Income Support.

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

- Employment Transitions helps minimize employment barriers that often limit full participation in the workforce for single parents who are in receipt of Income Support. This initiative provides intensive employment preparation to groups of 16 single parents over a 12-week period. It also provides job search and job maintenance support as well as an earned-income supplement. The Employment Transition program was originally piloted in Corner Brook, with 80 per cent of participants as of September 2009 having secured employment or entered post-secondary training. This year, the Employment Transitions program expanded to Grand Falls-Windsor, and next year it will be expanded to Labrador. A similar, very successful program is funded by HRLE and delivered by the Single Parent Association of Newfoundland and Labrador (SPAN) in St. John's.

The transition from school to work is a difficult one for many young people and can be particularly challenging for individuals with developmental disabilities. Russell and Lacey are two central Newfoundland high school students (highlighted in the "Profiles" section on page 37 of this report) who have participated in the Gambo and Area Employment Corporation's Transitional Planning Program. Both have been employed through participation in the program and have gained valuable transferable skills which will be a great asset in helping them find work when they leave the school system next year.

- The strategy also recognizes the need to have transitional supports for women who leave violent relationships. New enhanced employment readiness services and resources are under development to support women who are victims of family violence.
- Funding to increase labour market participation and reduce barriers for people with disabilities has also been provided to the Independent Living Resource Centre (ILRC) for an internship program. Nineteen individuals with disabilities have participated in this program as of March 31, 2009. Interns acquire skills in computer technology and enhance their skills in adaptive technology through internships in St. John's, Carbonear, Grand Falls-Windsor, Corner Brook, and Happy Valley-Goose Bay.
- Other initiatives have been supported by the PRS to increase the labour market participation of people with disabilities, such as:
 - extending the Opening Doors program, an employment equity initiative for the Government of Newfoundland and Labrador, to crown corporations, and
 - providing higher earnings exemption for people with disabilities in receipt of Income Support.

"Through the IL Internship Program I have gained and improved so much – interpersonal skills, computer skills, writing skills, and so much more. I thought my disability was a barrier, but no, it is only an obstacle and I believe I have overcome this... When I come home from work and tell my children how my day went and they respond "Dad we are proud of you," well let me inform you that is the greatest feeling I personally have ever felt in my life. So has this Poverty Reduction Strategy Employment Initiative affected me positively in my life? ...Yes, greatly!"

—ILRC Internship participant
in St. John's

Other Supporting Government Actions:

- An area of concern is the increase in the wage gap between men and women. In 2004 women in Newfoundland and Labrador averaged 62 per cent of men's earnings, and in 2007 this percentage had decreased to 60 per cent. This is related to the high-paying positions being created by the offshore industry, for which the workforce remains predominantly male. The Canadian average for female-to-male earnings in 2007 was 66 per cent. To support more women accessing these higher paying jobs, the Government of Newfoundland has entered into partnerships with trade unions to advance mentorship and to advance female apprentices and to match female students with appropriate employment.



Goal 4:

Progress towards an 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. Conditions and experiences affecting children up to the age of six have a powerful impact on long-term development, health, and economic status. Children living in poverty often do not have the same access to developmental opportunities as do other children, particularly in the early years. This is often linked to low educational attainment, unemployment, and poor physical and mental health as adults.

The Provincial Government is continuing to build and strengthen programs and services to optimize child development outcomes and promote a successful transition to school.

4.1 Strengthen regulated early learning and child care system

- In 2009 an annual investment of \$1.3 million was made through the PRS to enhance the Child Care Subsidy Program to make quality child care for low-income families more affordable. The daily subsidy rates provided to child care centres and family child care homes on behalf of parents was increased in order to eliminate or reduce surcharges.

Other Supporting Government Actions:

- In May 2006, the Government of Newfoundland and Labrador unveiled an Early Learning and Child Care Plan (ELCC) as a part of its commitment to ensure high-quality, affordable, and accessible child care.
 - As a result of ELCC investments, from April 2003 to March 2009, there has been a 36 per cent increase in the number of regulated child care spaces in the province. This means that more children and families are able to access regulated child care, which can provide children with important early learning experiences and parents with the opportunity to work or study while their child is being cared for in a regulated setting.

- Between 2003 and 2008, the eligibility threshold for the full amount of the subsidy was increased from a net income of \$20,280 to \$27,500 for a single-parent family and \$27,840 for a two-parent family. There is a sliding scale of parental contribution for families earning more than these amounts. The number of children from low-income families accessing subsidized child care increased from 1,373 in March 2003 to 2,100 in March 2009, a 53 per cent increase.
- In an effort to support training and professional development and to recognize the professional qualifications of early childhood educators, the Province:
 - Offers a supplement to raise the income levels of early childhood educators who have formal training in Early Childhood Education (ECE). This supplement was increased in 2007 for Level 1 and Level II early childhood educators working in regulated child care settings
 - Increased and enhanced professional development opportunities for early childhood educators throughout the province
 - Provides bursaries with a return-in-service agreement for ECE students who graduate from a two-year ECE program

4.2 Promotion of healthy child development

The period from conception to age six has a powerful impact on development and growth. Programs that promote good nutrition and healthy lifestyles during pregnancy and early childhood will have a positive long-term impact.

- Family Resource Centres are important community-based resources that provide support and services for children and families. They focus on prenatal, postnatal, parenting, and family support, child development, and health promotion. Family resource programs provide invaluable assistance to families with fewer resources and create opportunities in communities to support early child development. In 2008-09 approximately 9,200 parents and 9,750 children accessed Family Resource programs from over 500 communities in the province. In 2009-10, funding to Family Resource Centres has been enhanced through the PRS, and programs in three new communities will be developed.
- Healthy Baby Clubs actively promote and support healthy lifestyles for women who may require additional support during and after pregnancy. In the 2007-08 fiscal year, the Healthy Baby Club program was available at 56 sites and provided services to 524 participants. In 2008-09 additional funding from the PRS enabled Healthy Baby Clubs to address wait-lists and further supplement the provision of healthy and fresh foods.

- The Mother Baby Nutrition Supplement is a monthly financial benefit for low-income pregnant women and for families with children under 12 months old. It is intended to help with the cost of nutritious food during and after pregnancy. Through the PRS, 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. On average, 1,200 families received the Mother Baby Nutrition Supplement per month in 2008-09.

Sara, a young single mother of a nine month old (highlighted in the "Profiles" section on page 38 of this report) has benefited financially as well as been better supported to develop parenting skills, lead a healthy lifestyle and have opportunities to meet other parents by a variety of PRS initiatives. In addition to being more than \$6,500 better off than she would have in the same circumstances in 2003 (in constant 2009 dollars to take inflation into account), Sara and her son have benefited from being able to attend a Healthy Baby Club and participate in a Family Resource Centre program, both of which she credits with supporting her to have a happy and thriving child.

Other Supporting Government Actions:

- An annual investment of over \$1 million was made to increase the Newfoundland and Labrador Child Benefit.
- In 2008 the Provincial Government invested \$12.4 million with an ongoing annual commitment of about \$10 million in two new family benefits:
 - The Progressive Family Growth Benefit (PFGB) provides \$1,000 tax-free to residents of the province whose child was born or placed with them for adoption on or after January 1, 2008.
 - Flowing from this benefit, the Parental Support Benefit (PSB) is an additional support that provides parents with an additional \$100 per month for a 12 month period for each child born or adopted.

4.3 Strengthened early intervention services and programs

- Increased funding was provided to the Direct Home Services Program to increase access to home-based early intervention services for pre-school children at risk of, or who have, a developmental delay or disability. This will support an additional 200 children per year to receive services designed to improve child development outcomes and enhance parenting skills.
- Funding of \$1 million in 2009-10 to research and pilot a model for strengthening parent-child relationships and enhancing healthy child development through a home-visiting model in cases identified as a priority.

Goal 5:

Progress towards a better educated population

One of the best ways to prevent poverty from occurring is to have a better educated population. One of the best predictors of whether or not people will live in poverty is their level of formal education.

5.1 A K to 12 system where more students graduate

- Overall, the high school completion rate in Newfoundland and Labrador compares well with the rest of Canada. However, children in neighbourhoods with a high density of social housing have lower levels of high school completion. In 2006-07 a new financial incentive - the Education Incentive Allowance - was provided for NL Housing tenants with dependents in full-time high school attendance or post-secondary studies, as well as adult tenants in full-time adult basic education or post-secondary studies. This program has since been expanded to include dependents in grades seven to nine. This initiative provides \$50 a month for each eligible household member. In 2008-09 more than 800 people benefited from the Educational Incentive Allowance. This initiative is designed to encourage children and adults to stay in school.
- Similarly, a high school incentive allowance was put in place for youth on Income Support who turn 18 while still in school, both those living independently and in a family. Through the Income Support program, this allowance replaces the federal and provincial child benefits that are discontinued when a young person turns 18, thereby reducing pressure to join the labour force without completing high school.
- The PRS has supported community-based organizations to develop and strengthen programs that foster a greater attachment by youth to their schools and communities. For example, the PRS has enhanced funding for the Community Youth Networks (CYNs). The CYNs provide services for youth living in, or at risk of, poverty and offer access to academic support, employment counselling, wellness education and social and recreational activities. A total of \$2.6 million is being invested both to expand the number of CYNs and increase the budgets of these important successful community-based centres. Since 2007 the CYNs have expanded with an additional 13 sites. In 2008 about 14,000 young people availed of CYN's services.

The Community Youth Networks (CYNs) engage youth in learning and recreation as well as offer employment counseling and supportive services. Homework Havens and other programs reduce drop out rates and enhance learning. The Harbour Breton CYN (highlighted in the "Profiles" section on page 39 of this report) is also helping better connect youth to their communities and develop skills through its Funship Internet Café. This partnership with the Funship 50-Plus Club has youth and seniors coming together to share internet and baking skills.

Other Supporting Government Actions:

- Many students are more likely to stay engaged in school when they see how it is directly connected to their employment goal. A common theme during the 2005 consultations was that a lack of career counselling and appropriate labour market information was making it difficult for students to make informed decisions. In response, Education and HRLE partnered to develop an action plan, which included HRLE hiring ten career development liaison officers to provide information on careers and labour market trends to students, and supportive services to teachers and guidance counsellors. Their primary focus is on students in grades seven to 12.
- During the 2008-09 school year, more than 5,600 students participated in the new mandatory Career Development 2201 career education course that gives students high-quality information and experiences in a broad range of career options.
- The Department of Education, together with the Innu communities, have developed curriculum and learning resources which help to maintain and revitalize Innu culture and language. It broadens and deepens understanding of Innu tradition and culture for both Innu and non-Aboriginal learners. In Spring 2009, the Department launched a series of social studies books for Kindergarten prepared in both Innu-aimun and English.
- The Government of Newfoundland and Labrador provided \$4 million towards the construction of a new school in Sheshatshiu. The province, federal government, Innu Nation and Bands worked to create the Innu Education Board which has responsibility for the delivery of education in Sheshatshiu and Natuashish. This board officially assumed duties on July 1, 2009.

5.2 Increased responsiveness of the K to 12 school system

A consistent theme heard during the 2005 consultations was the high cost to parents of having children in the K to 12 school system. In the 2008-09 consultations, many participants noted the significant improvements the Provincial Government has made in this area.

- In order to reduce the financial burden on parents the per-pupil instructional grant to school boards was increased from \$80 to \$150 in September 2006. This has resulted in the schools no longer charging parents fees for consumable materials, such as art supplies and workbooks, as well as school fees for items such as agendas, student IDs, locks, and locker rentals. This initiative reduces the financial burden to parents and diminishes the stigmatization experienced by students from families that cannot afford to pay the fees. The average amount parents had been paying in 2003 per child for these sort of fees was \$50.
- In September 2007, a \$12.8 million investment was made to cover the cost of textbooks for grades nine to 12. As a result, textbooks are now provided free to students throughout the K to 12 public system. Parents are saving as much as \$500 a child. In the 2008-09 school year alone, this benefited more than 24,000 students in grades nine to 12 who previously would have had to purchase their textbooks.

- The issue of a lack of healthy food choices in schools was also raised in the 2005 PRS consultations. In response, the Provincial Government completed the implementation of the school food guidelines. Healthy food choices are essential to healthy growth and development, the prevention of obesity and ability of students to learn and develop to their full potential.

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

- Through the PRS, funding has been provided for more than 100 new spaces for Adult Basic Education Level I at an additional nine College of the North Atlantic campuses. Adult Basic Education (ABE) is designed to give adults an opportunity to achieve high school equivalency.
- An additional 110 spaces for the Comprehensive Arts and Science Transition Program at the College of the North Atlantic (CNA) also have been funded. This program is for high school and ABE graduates who lack admission requirements to enter college.

Other Supporting Government Actions:

- Government froze post-secondary education tuition starting in 2005 for all public institutions in Newfoundland and Labrador.
- In Budget 2009, government eliminated the interest on the provincial portion of student assistance, benefiting 49,000 people in 2009 alone who are repaying their student assistance. It will also benefit all students who will repay student assistance in the future.
- Increased the amount of financial assistance that students can access in up-front, non-repayable, needs-based grants and decreased the amount of spousal contributions, to give married students greater access to assistance. In 2009-10 about 8,400 students are expected to receive these non-repayable grants.
- A pilot project to provide online delivery of Adult Basic Education Level I is being introduced to Newfoundland and Labrador in Fall 2009. Delivering this program online will make it more accessible to more people. It has the potential to provide individuals with greater flexibility to help accommodate their family lives and work schedules, and is another option for those interested in improving their literacy skills.

Going back to school is difficult for many adults and presents particular challenges for single parents. Angela, a single parent receiving Income Support (highlighted in the "Profiles" section on page 40 of this report) wants to get a decent job to support her children. Based on employment counseling from a Career Development Specialist in HRLE, she decided to train to be a Heavy Equipment Operator at the College of the North Atlantic Stephenville Campus. Changes to the Income Support program and student assistance and grants program mean that for the 24 week period of her training she will have \$2,846 more income to support her needs while in post-secondary training than she would have had she taken this training in 2003 (in constant 2009 dollars to take inflation into account). Also, the debt she would have incurred to attend post-secondary training has been reduced by over \$3,000. Angela is confident that she will be able to secure a better future for her family.

Indicators

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 set of comprehensive indicators. These help to assess the extent to which poverty is being prevented, reduced and alleviated. Fifteen indicators outlined in Table 1 have been chosen to monitor and track progress. Gender differences for these indicators are also being tracked. This section provides highlights. Detailed information on these indicators, including baselines and progress to date, is presented in Appendix II. This information will be a part of the PRS progress report published every two years.

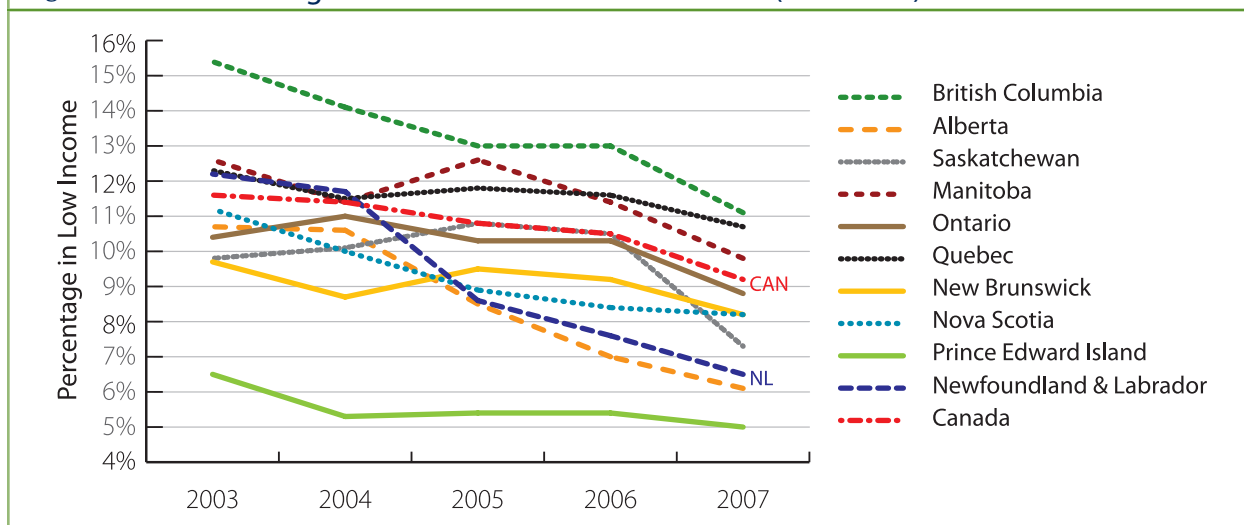
Table 1. Performance Indicators		
Overall Indicators:	Income Indicators:	Child and Youth Indicators:
<ul style="list-style-type: none"> Low Income Cut-Offs (LICO) - After Tax Market Basket Measure (MBM) Newfoundland and Labrador Market Basket Measure (NLMBM) Low-Income Measure (LIM) - After Tax NLMBM of Housing Affordability 	<ul style="list-style-type: none"> Median After Tax Family Income Personal After Tax Disposable Income Average Earnings Jobless Family Rate Number of Income Support Clients 	<ul style="list-style-type: none"> Healthy Birth Weights Early Development Instrument Score Educational Scores High School Drop-Out Rates Post-Secondary Educational Attainment

What the Indicators Show: Highlights

All available measures of low-income show positive trends and substantial progress towards meeting the goal of becoming the province with the lowest poverty levels in Canada. For example:

- 63,000 people in Newfoundland and Labrador fell below the Low Income Cut Offs (LICO) in 2003, whereas in 2007 this number had dropped to 33,000. **This means that 30,000 fewer people are living in low-income in Newfoundland and Labrador than in 2003.**
- As Figure 1 shows, according to the most recent LICO data available (2007), only two provinces have lower poverty levels than Newfoundland and Labrador (Alberta and Prince Edward Island).
- Depth of low-income is the average amount families fall below the particular threshold. For those families (including single people) with incomes below LICO, the depth of low-income has declined from \$5,500 in 2003 to \$4,900 in 2007 **and is now the lowest in Canada.** The Canadian average for 2007 is significantly higher, at \$6,700.
- Persistent poverty, measured as the number of people whose income was below LICO for every year of a six year period, decreased from three per cent of the population in 1996 to 2001 to two per cent for 2002 to 2007.

Figure 1. Percentage of Persons with Low Income (After Tax)

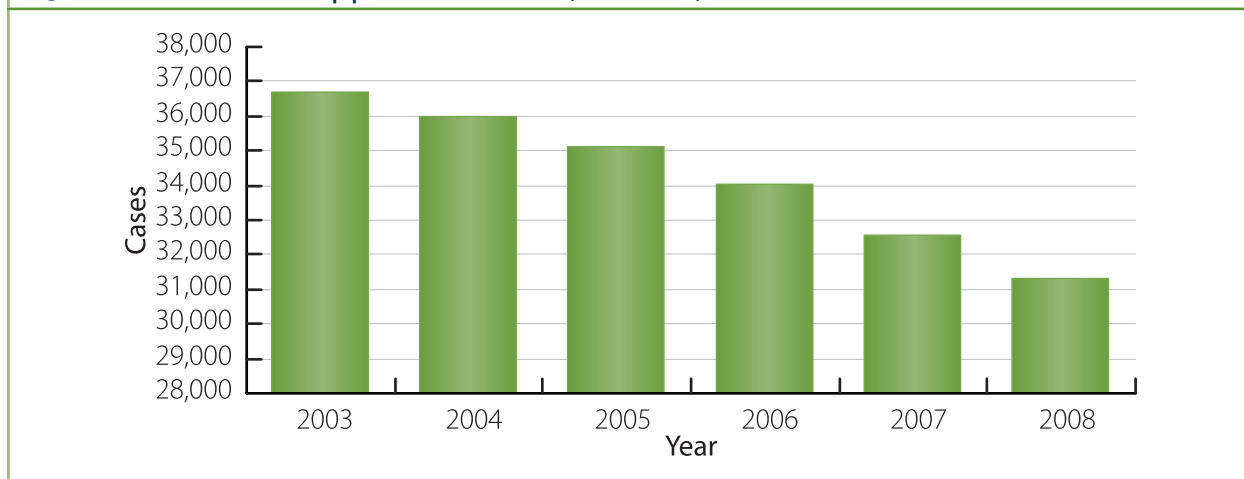


Source: Statistics Canada, Income in Canada 2007, Catalogue number 75-202-X.

Other indicators also reflect the progress made.

- Median after tax family income, personal after tax disposable income and average earnings all have seen notable increases between 2003 and 2007.
- As Figure 2 shows, the Income Support caseload has decreased substantially since 2003, from 36,700 families (including single people) in 2003 to 31,322 in 2008.

Figure 2. Income Support Caseload (2003-08)



Source: Human Resources, Labour and Employment, Special Tabulation

Note: These numbers represent the total that accessed Income Support at any point in the year. The caseload for any given month is much lower. For example, in May 2008, there were about 24,700 cases.

Educational outcomes have improved. For example in 2004, 61 per cent of grade six students were reading at grade level compared with 81 per cent in 2008. Similarly in 2003, 2,967 post-secondary degrees, diplomas and certificates were granted. In 2007 this number rose to 3,585.

Innovation in measurement

In the 2006 *Action Plan*, a commitment was made to improve capacity to measure and track progress. A major innovation has been the development of the Newfoundland and Labrador Market Basket Measure (NLMBM). This new measure uses a similar approach to the federal government's Market Basket Measure (MBM). Like the 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 all other available measures of low-income 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 for all tax-filers. This allows for the reporting of low-income levels in communities and neighbourhoods, as well as results for other subgroups such as different age groups or family types. This is important because it allows for the tracking of progress for different parts of the province as well as for different vulnerable groups so that it can be ensured that PRS is working for all. The NLMBM is available on Community Accounts (www.communityaccounts.ca) so that anyone can access it over the internet. A detailed description of the NLMBM is included in Appendix II.

The Road Ahead to 2014

In 2006 with the release of *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, this province set out on an ambitious and bold journey to prevent, reduce, and alleviate poverty. The *Action Plan* was written following a comprehensive public engagement with input from community advocacy groups, business, organized labour, and, most importantly, people living in and vulnerable to poverty. Their input was critical to the development of a strong foundation for poverty reduction as evident in the initial four-year *Action Plan*.

To ensure a focus on responding to current economic and social realities, an extensive second round of public consultations was held in 2008-09. This input is being used to inform annual budget priorities and to support the development of the next four-year *Action Plan*, due for release in 2010. Research into solutions in some important areas is underway and will also inform the next phase of the PRS.

To meet the goal of having the province with the lowest poverty levels by 2014 requires a sustained focus and commitment. The Provincial Government will continue an aggressive approach to supporting all Newfoundlanders and Labradorians to share in the social and economic benefits of the province.

While substantial progress has been made in reducing poverty since the strategy was introduced, there is no doubt that there are many challenges on the path ahead. Using the Newfoundland and Labrador Market Basket Measure and other tools, government will continue to assess the effectiveness of the initiatives and make required adjustments to ensure they are responding to the needs of people living in poverty.

This Progress Report demonstrates the success of the first phase of the strategy. As the province embarks on the next phase, much work remains to be done. The strategy is not a quick fix, but a long-term approach to actively engaging citizens in the public policy process to achieve positive change. Tackling poverty is everyone's business, and to this end, the Government of Newfoundland and Labrador is committed to continuing to involve all partners and listen to people who live in poverty.

Profiles: The PRS in Action

One of the strengths of the Poverty Reduction Strategy (PRS) 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 PRS 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 PRS 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 PRS. 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 PRS. Most profiles describe the experience of actual people who shared their story; others are composites.



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Supporting Families

Leaving Income Support can be difficult, but the PRS has made it easier and more financially beneficial for families to make this transition. Take John and Yvonne, for example. They have two children, aged 11 and 16, and live in NL Housing. John is on heart medication and one child requires medication for Attention Deficit Hyperactivity Disorder (ADHD). In 2003 they could not afford to go to work because of low minimum wage earnings and the loss of benefits.

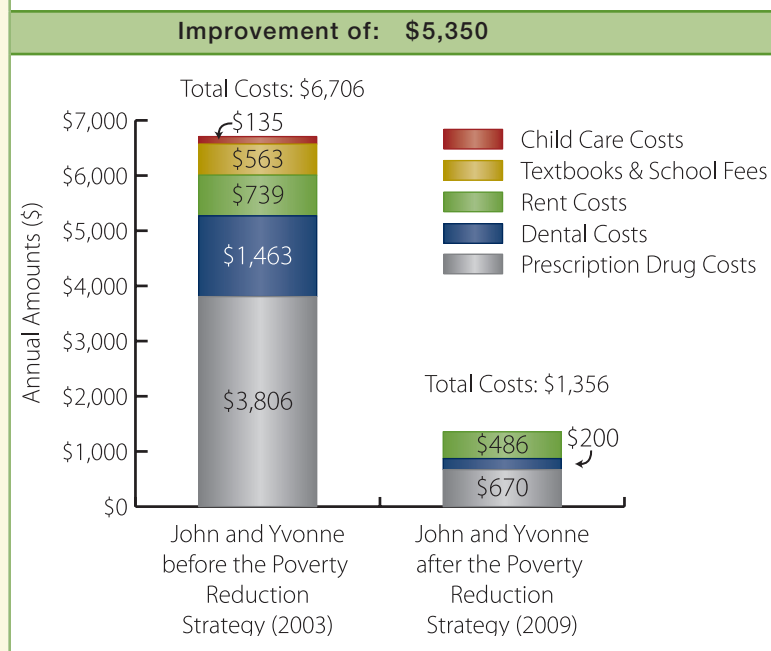
Improvements:

- Expanded NL Prescription Drug Program beyond Income Support clients to other low-income families provides prescription drug coverage (with a co-pay)
- Expanded NL Dental Health Plan helps pay dental costs for youth (aged 13-17) in low-income families
- Education Incentive Allowance from NL Housing of \$50 a month (\$500 annually) because the 16 year old is in full-time attendance at school
- Reduced rent due to changes to NL Housing's rent-geared-to-income (RGI) formula
- Free text books and elimination of school fees for their children
- Full cost of child care covered through increases to the Child Care Subsidy Program
- Low Income Tax Reduction has almost eliminated the provincial portion of income tax John and Yvonne will pay in 2009
- Minimum wage increases have meant that Yvonne has higher earnings

As Figure 3 shows, John and Yvonne have a reduction in expenditures of \$5,350. Other changes, including increases to the minimum wage, the NL Child Benefit and Low Income Tax Reduction, mean they now earn \$2,160 more than they would have by working in 2003. **This increase in their income combined with lower costs mean they are now \$7,500 better off.** (All income amounts are in 2009 constant dollars to control for inflation)

Figure 3. Supporting Families—Reducing Costs as a Barrier to Employment

All 2003 numbers are in 2009 constant dollars



Supporting Seniors

Fred is a 72-year-old widower living in a two-bedroom NL Housing apartment.

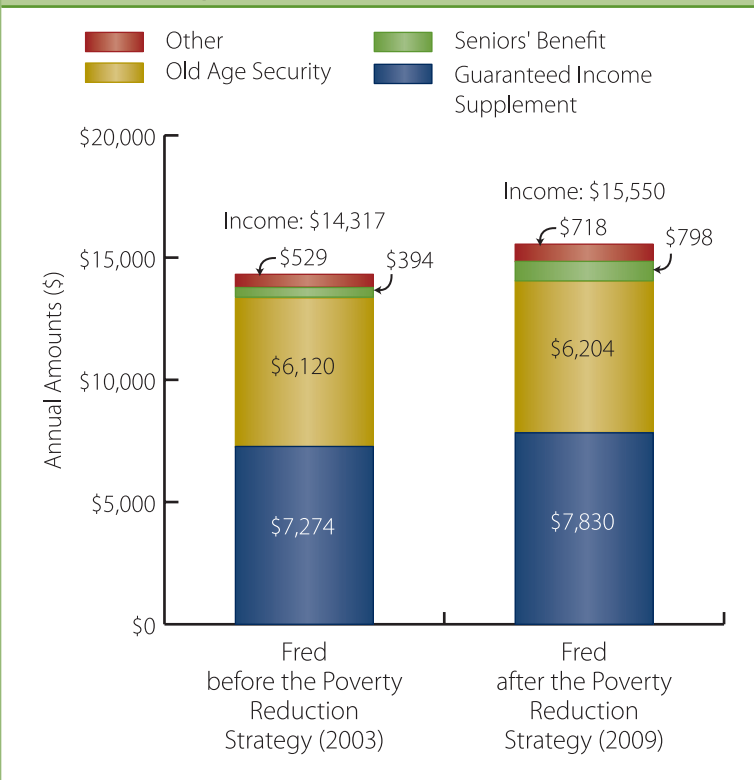
Improvements:

- Increased NL Housing heating subsidy by \$346, from \$489 to \$835 a year
- Reduced rent because of changes to NL Housing's rent-gearred-to-income formula for tenants aged 55+
- Eliminated Fred's provincial income tax through Low Income Tax Reduction
- NL Housing Home Repair Program

Figure 4. **Supporting Seniors—Increases to Benefits**

All 2003 numbers are in 2009 constant dollars

Improvement of: \$1,233



In 2003 Fred would have had an annual income of about \$14,317 from all sources. Fred's total income will increase by over \$1,200 to approximately \$15,500 in 2009.

The Smallwood Crescent Community Centre

The Smallwood Crescent Community Centre in Marystown received funding through the PRS in addition to its core funding from NL Housing. These funds were used by the Centre to expand its programs and services. One of the main projects undertaken by the Centre using these funds was the opening of the Smallwood Crescent Community Kitchen, a new initiative in the area.

Smallwood Crescent Community Kitchen

The Community Kitchen is a social area where people gather to share recipes and cook meals for themselves and their families. Cooking groups meet daily at the Community Kitchen to share the recipe of the day and cook the meal together. All food prepared is shared at the Kitchen by the participants, with the remainder being collected by the participants and brought home to their families. This provides participants with an opportunity to learn to cook on a low budget, while having a chance to socialize and have fun in a relaxed and safe environment. The Community Kitchen has also partnered to hold sessions with other groups (e.g., Skills Link Groups and other employment and life skills empowerment groups). These initiatives have strengthened the relationship of the Centre with other organizations such as Service Canada and the Eastern Regional Wellness Coalition. The Community Kitchen is open Monday to Friday from nine to five. Anyone in the community can drop by the Kitchen and have a cup of tea or a cookie, as there are always cookies or muffins in the oven.

Homework Haven

Through the additional funding, the Centre was also able to offer increased incentives to students to attend the Homework Haven program. Participation in the Homework Haven program has tripled over the past year, and it has been successful in helping students to improve their grades and motivating them to do well in school.



"The opening of the Community Kitchen by the Smallwood Crescent Community Centre through the poverty reduction funding has certainly been an asset to the participants, the community, and the Centre. As a result, the Community Centre has increased the number of its program participants, increased the public knowledge and importance of the Community Kitchen to the area, and most importantly, has increased the level of programming we are able to offer to the community."

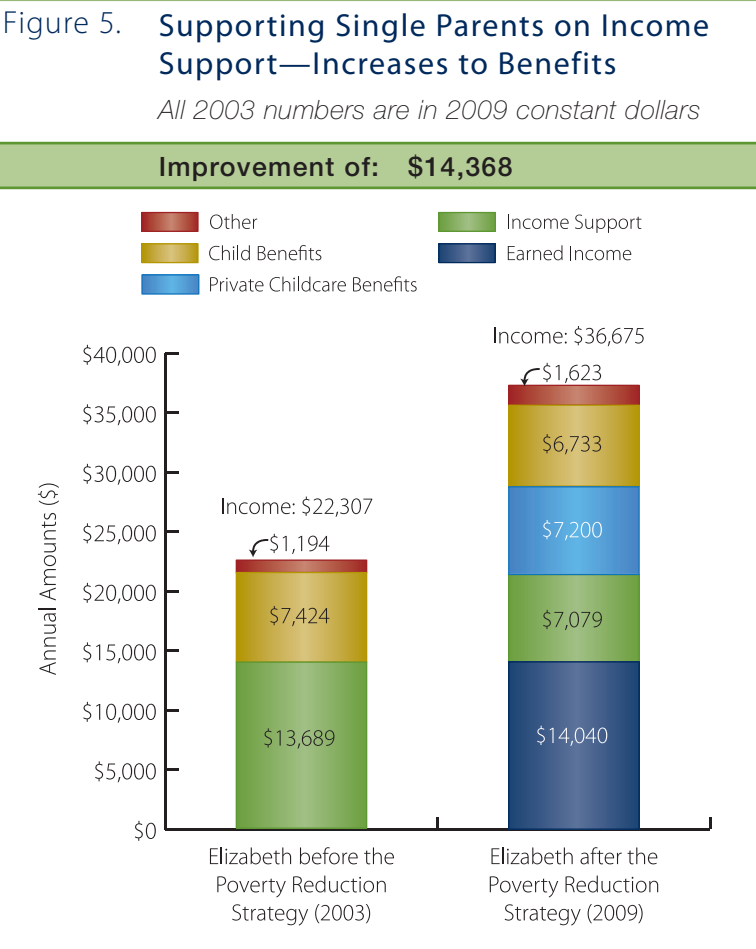
—Darrell Jackman
Executive Director, Smallwood Crescent
Community Centre

Supporting Single Parents on Income Support

Elizabeth is a 29-year-old single mother of two who rents an apartment. She has a daughter in grade one and a son in kindergarten. Until three years ago, Elizabeth stayed at home with her children full-time and received Income Support benefits. 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 childrens' basic needs.

Improvements:

- Changed policy to allow Elizabeth to keep all of her Income Support benefits in her first month of work
- Increased basic individual and family Income Support rates by 11.6 per cent and indexed to ensure they do 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's private child care rates by \$75 a month per child
- Increased NL Child Benefit
- Increased earnings exemptions for Income Support clients now allow her to keep 20 per cent of what she makes in addition to the initial \$150 monthly exemption
- Reduced provincial portion of her income tax through the Low Income Tax Reduction
- Increased minimum wage by 50 per cent
- Increased access to employment counseling, labour market information and promotion of benefits and supports



In 2003 Elizabeth had an annual income of about \$22,000 from all sources. If she had gone to work full-time for minimum wage, she would have been about \$9,500 better off, but feared the loss of her prescription drug coverage and other benefits, as well as the cost of child care. In 2009 if she was not working her annual income would be about \$23,500 from all sources. Now, with the barriers to employment removed, Elizabeth went to work and increased her income by over \$13,000 to more than \$36,500.

(All income amounts are in 2009 constant dollars to control for inflation.)

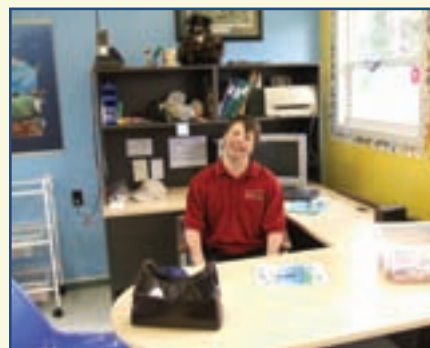
Transition from School to Work

The Gambo and Area Employment Corporation has been actively involved with Transitional Planning in the school system. Transitional Planning supports students with disabilities in the transition from school to work. The Employment Corporation assists students with developmental disabilities in five schools. Last year, four people secured full-time employment and three secured seasonal employment through the Transitional Planning program. This year, two have obtained summer employment and three are working part-time while attending school.

The program provides students and their families with hope for a productive life after graduation from the school system. Students gain transferable skills. They meet many people, which provides opportunities to showcase their skills, enhance their abilities, and realize their strengths. By participating in this program, students prepare for employment, gain valuable work experience, and learn what they can achieve upon finishing school.

The funding that is available through the PRS for this Program is important. It means greater opportunities for individuals and for the Supported Employment Program.

Russell is a 19-year-old student at Glovertown Academy who has been a part of the Transitional Planning Program for a couple of years. During the past two summers, Russell worked for the Heritage Foundation at Terra Nova National Park. Russell is entering his last year of school. His work experience has provided him with valuable transferable skills. These will provide Russell with opportunities in the future when he leaves the school system.



Lacey is a 19-year-old student at Smallwood Academy in Gambo. Last year, he was referred to the Supported Employment Program and started Transitional Planning. Lacey was able to find part-time employment at Gambo SaveEasy while also attending school part-time. Lacey is learning both technical and social skills. This will help him prepare for entry into the workforce full-time when he leaves the school system next year.



Supporting New Parents

Sara is a single mother of one child. She is renting an apartment and paying for her own heating oil. Sara is working 30 hours a week at minimum wage, mostly in the evenings, to support herself and her nine-month-old son.

Improvements:

- 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 50 per cent
- Increased basic individual and family Income Support rates by 11.6 per cent
- Reduced provincial income tax through the Low Income Tax Reduction program

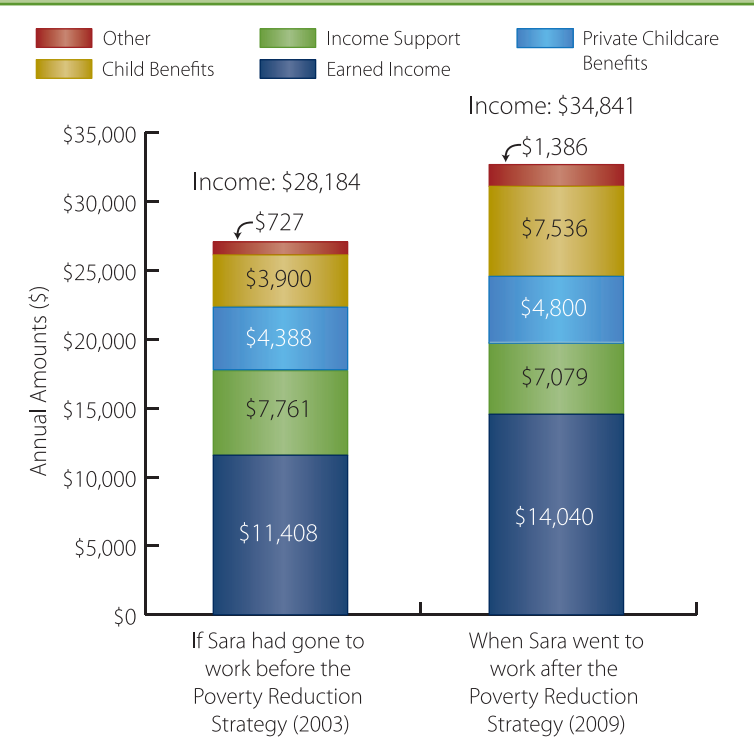
Sara attends a Healthy Baby Club and participates in a Family Resource Centre program. These support her in leading a healthy lifestyle, help her develop parenting skills, and give her an

opportunity to meet other parents. Prior to the PRS, there was a wait-list for the Healthy Baby Club in Sara’s area. The increase in budget to the Family Resource Centre will allow well-qualified and dedicated staff to continue to offer a high-quality service.

Figure 6. Supporting New Parents—Increases to Benefits

All 2003 numbers are in 2009 constant dollars

Improvement of: \$6,657



In 2003 Sara’s annual income from all sources was about \$18,500. If she had gone to work full-time for minimum wage she would have been better off by more than \$9,400, with a total income of approximately \$28,000. In 2009 before going to work, Sara’s annual income from all sources would be more than \$22,500. When Sara went to work for 30 hours a week at minimum wage, **her total income increased by over \$12,000 to approximately \$35,000**. Sara has also benefited from the introduction of parental benefits, including the Progressive Family Growth Benefit and the Parental Support Benefit. (All income amounts are in 2009 constant dollars to control for inflation.)

Harbour Breton Community Youth Network (CYN)

Building on Community Strengths

The Community Youth Networks (CYNs) throughout the province recognize the challenges that exist for youth and their families and strive to remove barriers by offering programs and services to youth in a positive, caring, and non-judgmental environment. These programs offer employment counselling, capacity-building, and supportive services, and they engage youth in learning and recreation. Through key partnerships, CYNs are able to offer presentations and programs for parents and youth on topics such as drug and alcohol abuse, eating disorders, self-harm, healthy living, teen pregnancy, career exploration, and entrepreneurship. Through increased funding under the PRS, CYNs have been able to expand the services they offer and are better able to support youth.

In addition to the very successful programs it offers to youth, the Harbour Breton CYN has developed partnerships with other supportive groups and provides opportunities for them to use the CYN space. Here are two examples of the Harbour Breton CYN's community cooperation:

- There was no licensed child care in Harbour Breton. To fill this gap, the CYN became the license holder for a non-profit licensed child care centre in 2008. The first day of operation was May 26, 2008, and the enrollment has reached full capacity with a growing wait-list, as the community responds positively to this new and unprecedented service.
- The Funship Internet Café is a partnership of the CYN, Primary Health Care, the Town of Harbour Breton, and the Funship 50-Plus Club. The objectives of the project are to promote social interaction between seniors and youth and help seniors gain a better understanding of technology and the internet. This enhances their communication skills and helps youth acquire practical life skills, such as food preparation, and a better understanding of responsibility and teamwork. It is anticipated that both seniors and youth will gain from this mentorship a better understanding and appreciation of each other and their contribution to the community. With the opening of the café, many youth have stepped forward to volunteer. This significantly enhances the CYN's intergenerational learning program.

"The Provincial Government's financial commitment to the CYN through its Poverty Reduction Strategy is a creative, strategic, and effective way to reach the goal "to transform Newfoundland and Labrador from a province with the most poverty to one with the least over a ten year period." When the capacity of the CYN is increased financially, it is able to not only reach out to help youth in the communities in which they physically exist, but to offer outreach to youth and families in nearby communities. The CYN has been able to do this over the past couple of years".

—Marie Bungay, Co-ordinator, Harbour Breton Community Youth Network

Supporting Students

Tuition Freeze

Public post-secondary institutions in Newfoundland and Labrador are under a tuition freeze until 2011-12.

Angela is a single mother of two children aged five and seven and is receiving Income Support. She is renting an apartment in Stephenville and she pays her own heating oil. 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 Human Resources, Labour and Employment, she decided that going to the College of the North Atlantic (CNA) and obtaining a trade in Heavy Equipment Operator would help her and her family get a fresh start. Angela has been accepted to the 24-week Heavy Equipment Operator program.

Improvements:

- Eliminated a requirement to pay a shelter component to Income Support out of her student assistance. This shelter component was \$124 a week and would have meant a reduction of almost \$3,000.
- Increased Income Support rates by 11.6 per cent.
- Increased Newfoundland and Labrador Child Benefit.
- Full cost of child care covered through increased Child Care Subsidy Program.
- Eliminated Elizabeth's provincial income tax through Low Income Tax Reduction.

Angela applied for student assistance for the 2009-10 school year and will receive \$5,129 in loans and \$2,256 in non-repayable grants for the entire program. This loan amount is \$2,296 less than what she would have received in 2003-04. The grant amount is \$1,176 more than she would have received in 2003-04. This gives Angela about the same amount of money for her program, with a much lower debt load.

As of August 1, 2009, interest on the provincial portion of student assistance has been eliminated. On the loan Angela would have received in 2003-04, she would have had to pay back the \$7,425 in loan plus \$2,902 in interest. For her \$5,129 loan in 2009-10, she has to pay \$1,970 in interest on the federal portion and will save \$932 in interest payments over the life of her provincial loan.

In total, for the 24-week duration of her CNA program in 2003-04, Angela would have had about \$15,500 income from all sources. This is approximately \$3,000 less than the income of over \$18,000 that she has for the 24 weeks of the program in 2009-10. Further, she would have had to pay back over \$10,000 in loans and interest for her program in 2003-04. In 2009-10 Angela has to pay back about \$7,000, for a savings of over \$3,000. With the employment counselling she has received and the lower debt load, Angela is confident her education will secure a better future for her family. *(All amounts are in 2009 constant dollars to control for inflation.)*

Figure 7. Supporting Students—Increases to Benefits

All 2003 numbers are in 2009 constant dollars

Improvement of: \$2,846

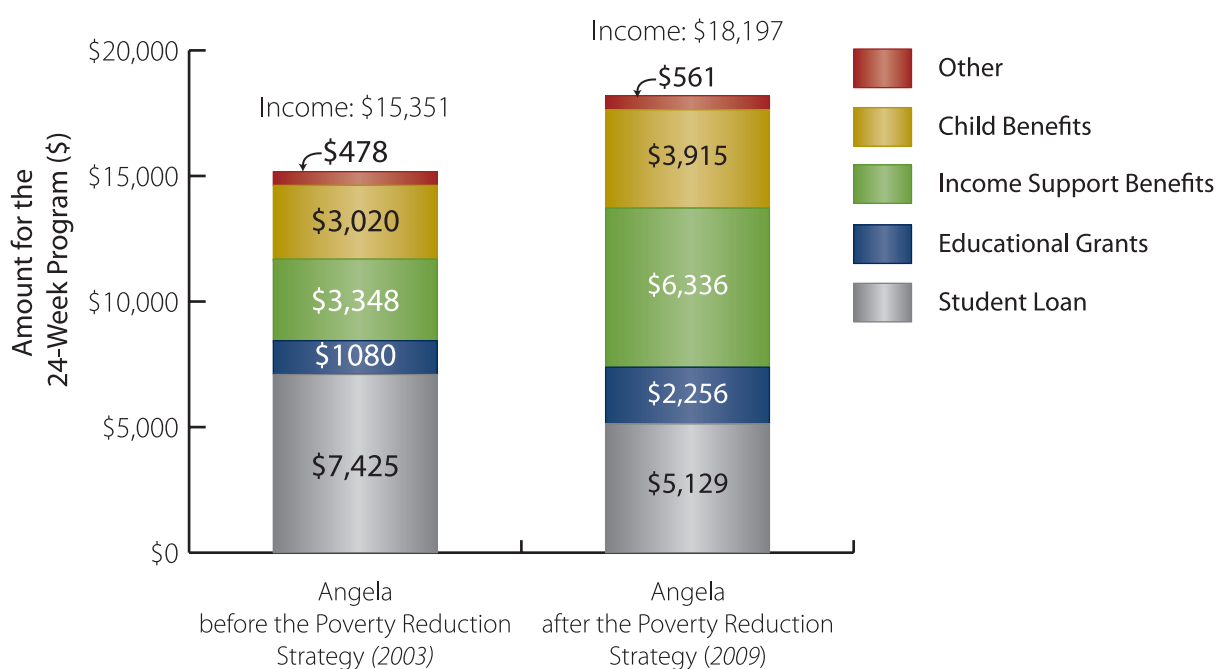
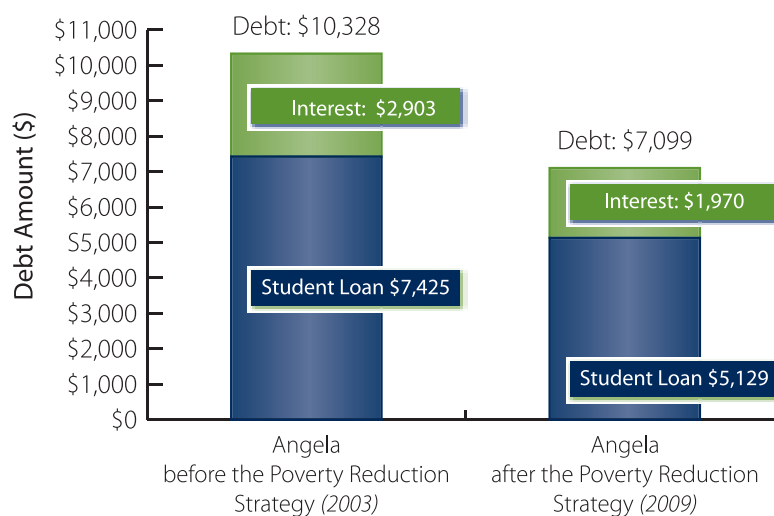


Figure 8. Supporting Students—Reducing Student Debt

All 2003 numbers are in 2009 constant dollars

Improvement of: \$3,229

Overall Debt Change -31%



Appendix I

Summary of PRS Initiatives

Initiative	Year Approved	2009-10 Budget
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Goal 1. Improved access and coordination of services

Increase access to career, employment and youth services programming	2006	previously funded
Develop and refine ways to show the combined impacts of federal and provincial programs on people with low-income	2006	policy change
Increase funding for the province's eight Women's Centres	2006; 2007; 2008	\$362,000
Increase funding for the Air Food-lift Subsidy program	2006; 2008	\$200,000
Increase funding for the Canadian Tire Foundation for Families Jumpstart program	2006; 2008	\$350,000
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 Low Income Guide for Government Programs and Services	2007	previously funded
Ongoing salary and operating funding to lead work on the Poverty Reduction Strategy	2007; 2008; 2009	\$493,000
Increase funding for the eight existing NL Housing Community Centres	2007; 2009	\$592,000
Provide funding for the KidSport initiatives to address costs associated with disadvantaged youth participation in sports	2009	\$25,000

Goal 2. A stronger social safety net

Amend the Human Rights Code to provide protection against discrimination based on source of income	2006	legislative/regulation change
Lower the rental rate for NL Housing tenants with employment earnings by adjusting the rent-geared-to-income scale to use net income instead of gross	2006	\$750,000

Initiative	Year Approved	2009-10 Budget
Increase basic individual and family Income Support benefit rates by five per cent	2006	\$7,312,000
Index Income Support rates commencing in 2007-08	2006	\$9,200,000
Increase Income Support's additional assistance for shelter rate	2006	\$2,741,000
Expand eligibility for the Newfoundland & Labrador Prescription Drug Program (NLPDP) to include more low-income families and individuals	2006	\$24,022,800
Increase access to the Special Child Welfare Allowance (SCWA) Program	2006	\$1,000,000
Expand Family Justice Services to provide more family law resources throughout the province	2006	\$617,000
Promote support trusts for adults with disabilities who require supportive services	2006	previously funded
Provide funding for Sex Offender and Spousal Abuse Treatment Programs	2006	previously funded
Provide funding for low-income earners to access family and civil legal aid services	2006; 2007	\$500,000
Lower the rental rate for seniors living in NL Housing aged 55 and older by adjusting the rent-gear-to-income scale from a sliding scale to a flat 25 per cent of income	2007	\$350,000
Increase the board and lodging supplement for adults with disabilities who reside with family members	2007	\$10,000,000
Expand the Newfoundland and Labrador Dental Plan to include dental services for youth between the ages of 13 and 17 in low-income families and providing sealants for children	2007	\$500,000
Provide funding for the Adult Alternative Justice Program	2007	\$248,000
Increase funding for the Kids Eat Smart Foundation and expand the initiative to include more schools	2007; 2008	\$1,250,000
Remove an inequity in the Income Support program that provided lower rental rates to persons living with relatives when compared to those who rent from non-relatives	2008	\$444,000
Enhance health benefits for Income Support clients	2008	\$1,169,000
Review of Income Support rates and rate structure	2008	\$105,000

Initiative	Year Approved	2009-10 Budget
Invest in a new Community Collaboration facilitator to increase access to career, employment and related services for NL Housing clients	2008	\$100,000
Conduct research into the transportation needs of individuals and families in low-income	2008	\$100,000
Support community-based groups who provide support to clients with complex needs	2008	\$250,000
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
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
Expand NL Housing's Rent Supplement Program to subsidize additional units for eligible low-income households	2008	\$2,000,000
Establish a youth addiction, prevention and early intervention program	2008	\$1,270,000
Support residential and transition services for youth through a supportive board and lodgings model	2008	\$402,000
Expand the coverage of the Mental Health Project to include civil legal aid support for persons required to make a court appearance under the <i>Mental Health Care and Treatment Act</i>	2008	\$125,000
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 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	\$140,000
Expand eligibility for the Cost of Living Allowance to all Income Support clients who maintain a residence in coastal Labrador	2008	\$200,000

Initiative	Year Approved	2009-10 Budget
Provide funding for a pilot project in St. John's for a Specialized Family Violence Intervention Court	2008; 2009	\$583,000
Establish a Supportive Living Community Partnership Program to support community-based initiatives that enable individuals with complex needs to overcome homelessness	2009	\$1,200,000
Offer women who are victims of family violence enhanced employment readiness services	2009	\$94,000
Establish a new Iris Kirby house in Carbonear	2009	\$1,227,200
Implement a Provincial Homelessness Fund	2009	\$1,000,000
Lower the rental rate for all NL Housing tenants by adjusting the rent-g 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	\$5,600,000
Implement an Affordable Housing Program to provide funding to both private and non-profit housing groups to assist them in constructing suitable housing for those with low-income	2009	\$2,650,000
Implement an Affordable Housing Program to construct social housing units for persons with disabilities	2009	\$550,000
Implement an Affordable Housing Program to construct social housing units for low-income seniors	2009	\$3,000,000
Establish new, smaller social housing units to meet the demands of 80 per cent of applicants who require one- or two-bedroom accommodations	2009	\$1,000,000

Goal 3. Improved earned incomes

Simplify the process for Income Support clients to report employment earnings	2006	policy change
Provide a Job Start Benefit to support clients who leave Income Support for work	2006	\$570,000
Provide funding for offender employment skills training at correctional facilities across the province	2006	\$47,000

Initiative	Year Approved	2009-10 Budget
Enhance enforcement and compliance of court order supports	2006	policy change
Provide funding for the high school Futures in Skilled Trades and Technology Program	2006	\$1,500,000
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, school-to-work transition supports, and public awareness	2007	\$1,435,000
Increase the private child care allowance by \$75 per month for working Income Support clients	2007	\$300,000
Research ways to increase access to employment supports for victims of violence	2007	\$80,000
Expand the Provincial Government's Opening Doors program to crown corporations	2007	\$300,000
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	\$128,000
Improve the earnings exemption program for Income Support clients with disabilities	2008	\$200,000
Establish a two-year pilot micro-lending program	2008	\$120,000
Expand the Bridging the Gap: From Education to Employment program	2008	\$216,000
Expand to Labrador the Employment Transitions program for single parents	2009	\$142,300
Increase Low Income Tax Reduction income thresholds from \$13,511 to \$15,911 for individuals and from \$21,825 to \$26,625 for families to reduce or eliminate the payment of provincial income tax	2009	\$16,000,000
Implement a new financial assessment process for home support	2009	\$7,500,000

Initiative	Year Approved	2009-10 Budget
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Goal 4. Increased emphasis on early childhood development

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
Develop an enhanced home visiting model for vulnerable children to support parenting and early childhood development	2007	\$1,000,000
Increase the Newfoundland and Labrador Child Benefit by \$5 per month	2007	\$1,090,000
Increase funding to the Healthy Baby Clubs to address wait lists and further supplement the provision of healthy and fresh foods	2008	\$400,000
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
Increase funding to strengthen existing Family Resource Centres and support the start-up of new programs in Conception Bay South, Lewisporte and Happy Valley-Goose Bay	2009	\$1,071,400
Funding for early intervention services for pre-school children at risk of, or who have, a developmental disability	2009	\$595,000

Goal 5. A better educated population

Implement an Education Incentive Allowance for NL Housing tenants to remain in school	2006	\$400,000
Implement school food guidelines in support of the Provincial Wellness Plan	2006	previously funded
Increase the instructional grant to school boards and to cover prescribed workbooks and other consumable materials that were charged to parents	2006	\$6,300,000
Provide funding for the Comprehensive Art & Science Transition Program	2006	\$650,000
Expand the Adult Basic Education Program	2006	\$1,200,000

Initiative	Year Approved	2009-10 Budget
Extend the provision of free textbooks in core courses for students in the K-12 public system	2007	\$1,280,000
Increase funding and expansion of the Community Youth Networks (CYNs)	2007; 2008; 2009	\$1,620,000
Increase the high school incentive allowance for families in receipt of Income Support whose children turn 18 while attending high school	2008	\$60,000
Develop a new pilot program to help disengaged youth reconnect to learning and return to school	2008	\$125,000
TOTAL POVERTY REDUCTION STRATEGY INITIATIVES		\$132,226,700

Appendix II

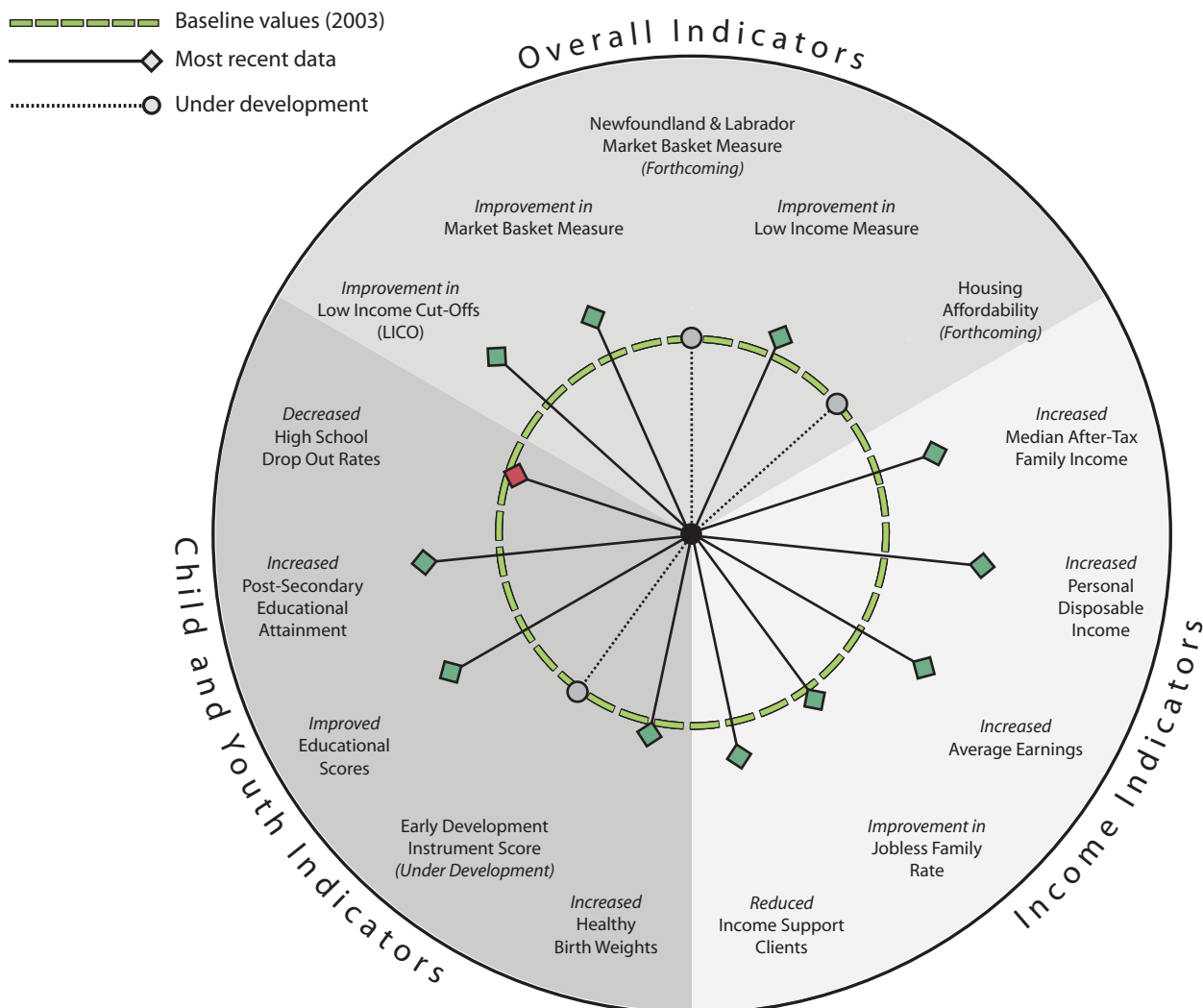
Detailed Indicator Information

The Progress Wheel: Gauging Success at a Glance

Interpreting this graph:

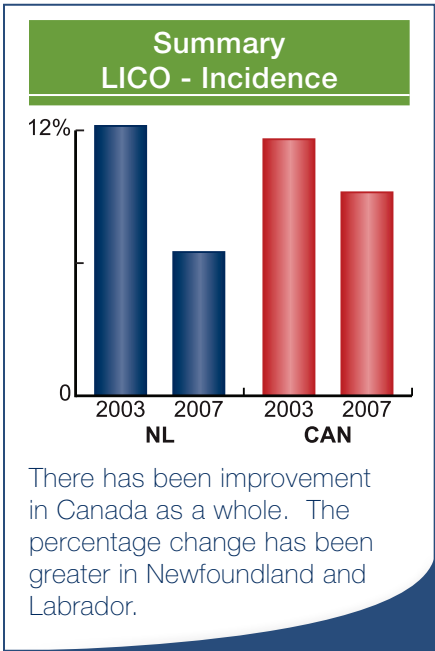
The dashed inner circle represents performance levels of each indicator in 2003, and the spokes radiating from the centre represent most recent performance values.

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



Overall Indicators

Low Income Cut-Offs (LICO) – After Tax



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.

The Low Income Cut-Offs (LICO) indicator looks at the incidence, depth and persistence of low-income. These terms are defined as follows:

Incidence:
The percentage of the population with incomes that are below the low-income threshold.

Depth:
For those families with incomes below the low-income threshold, the depth of low-income is the difference between their income and the threshold. This is also known as the low-income gap.

Persistence:
A family is considered to be in persistent low-income if they remain below the low-income threshold for all years in the specified time period.

Rationale: This is the most commonly used measure of low-income produced in Canada.

Baseline: (2003) *Incidence:*
12.2% (63,000 persons) of the NL population lived in low-income (11.6% of the Canadian population)

Depth:
Average low-income gap for all family units in NL: \$5,500 (\$6,900 for Canadian average)

Persistence:
Percentage of population remaining below the low-income threshold for all years between 1996 and 2001: 3% (3% of Canadian population)

Recent Data: (2007) *Incidence:*
6.5% (33,000 persons) of the NL population lived in low-income (9.2% of the Canadian population)

Depth:
Average low-income gap for all family units in NL: \$4,900 (\$6,700 for Canadian average)

Persistence:
Percentage of population remaining below the low-income threshold for all years between 2002 and 2007: 2% (2% of Canadian population)

Source: Statistics Canada

Market Basket Measure (MBM)

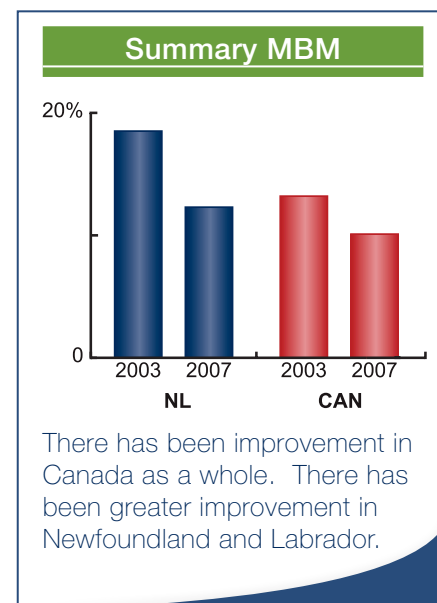
Description: The Market Basket Measure estimates the cost of a specific basket of goods and services. According to this measure, a family is defined as having a low-income if its disposable family income falls below the cost of the goods and services in the market basket for its community size.

Rationale: National measure developed to supplement the 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: (2003) 18.5% of the NL population lived in low-income (13.2% of the Canadian population)

Recent Data: (2007) 12.3% of the NL population lived in low-income (10.1% of the Canadian population)

Source: Human Resources and Skills Development Canada



Newfoundland and Labrador Market Basket Measure (NLMBM)

(forthcoming)

Description: The NLMBM is a modified replication of the National HRSDC MBM (see definition and description above) that incorporates new information to reflect provincial realities at the regional and community level. 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.

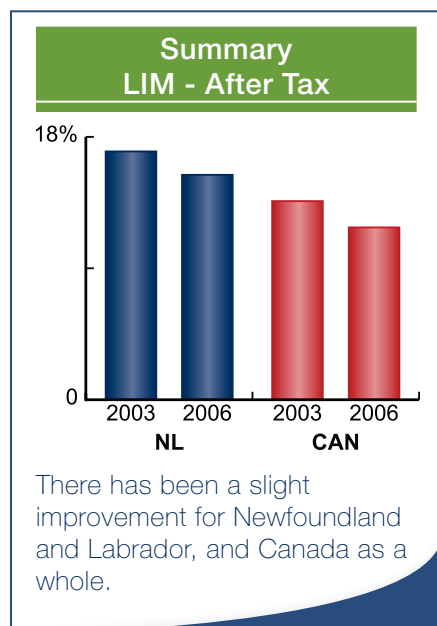
Rationale: Federal measures of low-income, including the MBM, LICO, and LIM, do not allow for provincial or sub-provincial comparisons of specific family type and age cohorts. The NLMBM was developed to provide more reliable and accurate estimates of this kind.

Baseline: (2003) 18.7% of the NL population lived in low-income (Data not available for the Canadian population)

Recent Data: (2005) The most recent data available are for 2005 and show 16.3% of the NL population lived in low income for that year. Data for 2006 will be available in the summer of 2010 and a release schedule for 2007 and 2008 data will be available in the next calendar year. Data will be provided through the System of Community Accounts at www.communityaccounts.ca.

Source: The NLMBM is developed and maintained by the Newfoundland and Labrador Statistics Agency. In future years, NLMBM depth, persistence and other indicators of low income will be reported as they become available.

Low-Income Measure (LIM) – After Tax



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 compositions, upward adjustments are made to the LIM.

Rationale: The LIM is 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: 17.5% of the NL population lived in low-income (2003)
(15.8% of the Canadian population)

Recent Data: 16.7% of the NL population lived in low-income (2006)
(14.9% of the Canadian population)

Source: Statistics Canada

NLMBM of Housing Affordability (*forthcoming*)

Description: The Newfoundland and Labrador Statistics Agency has developed new indicators using the NLMBM and the Canadian Mortgage Housing Corporation's (CMHC) definition that a household that spends 50 per cent or more of its income on shelter falls below a severe housing affordability standard. Low-income families with Extreme at Risk of Housing Affordability (eRHA) are defined as those in low-income who have to spend more than 50 per cent of their disposable income to purchase the NLMBM standard of shelter. (Shelter costs include rent, mortgage payments, heat and municipal taxes.)

Rationale: To date, there have been no indicators that allow for the examination of the affordability of housing by low-income populations at the community level or for detailed family types, age cohorts or other characteristics such as gender. Based on the amount of disposable income available to low-income families and individuals, the new NLMBM of Housing Affordability (NLMBM-HA) indicators show the degree (e.g., incidence, depth, and persistence) to which low-income populations can afford housing where they live (e.g., neighbourhoods, communities, and regions). These new indicators are innovative measures based on income reported through the income tax system.

Baseline: No baseline data currently exist.

Recent Data: No recent data currently exist.

Source: Newfoundland and Labrador Statistics Agency

Income Indicators

Median After Tax Family Income

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

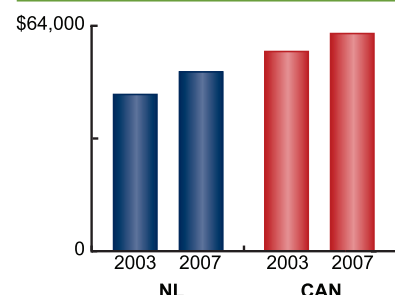
Rationale: This indicator describes the total amount of income for a family. Rising median family income will indicate fewer families in low-income.

Baseline: (2003) \$44,500 for all NL economic families, two persons or more
\$15,600 for all NL unattached individuals
(\$56,700 for all Canadian economic families, two persons or more
\$22,200 for all Canadian unattached individuals)

Recent Data: (2007) \$50,900 for all NL families, two persons or more
\$17,200 for all NL unattached individuals
(\$61,800 for all Canadian economic families, two persons or more
\$24,200 for all Canadian unattached individuals)

Source: Statistics Canada

Summary Median After-Tax Family Income



There has been improvement in Newfoundland and Labrador, and Canada as a whole.

Personal After Tax Disposable Income

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

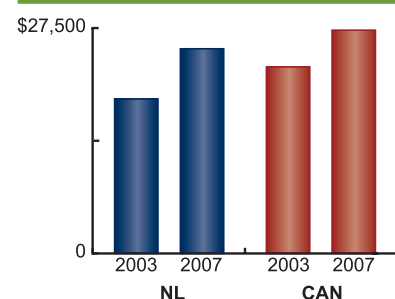
Rationale: The more personal disposable income available, the better off the families and individuals.

Baseline: (2003) \$18,851 per capita personal disposable income in NL
(\$22,757 per capita personal disposable income in Canada)

Recent Data: (2007) \$24,975 per capita personal disposable income in NL
(\$27,244 per capita personal disposable income in Canada)

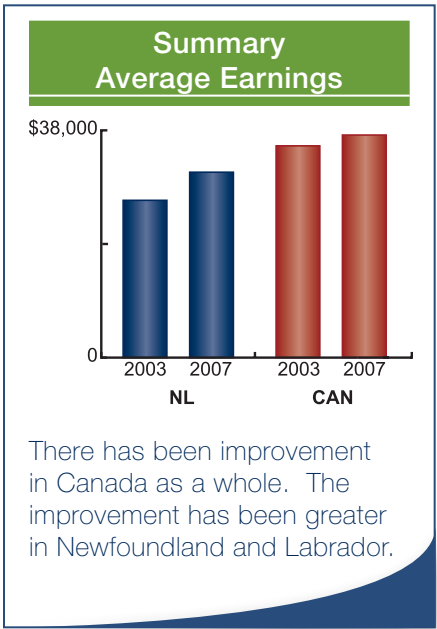
Source: Statistics Canada

Summary Personal Disposable Income



There has been improvement in Canada as a whole. The improvement has been greater in Newfoundland and Labrador.

Average Earnings



Description: The average amount earned by a working individual.

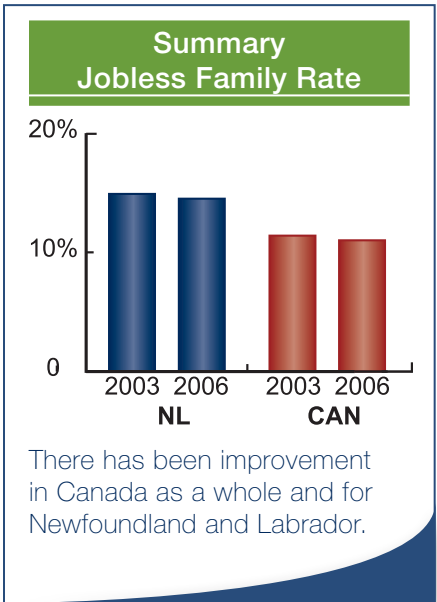
Rationale: The higher the average earnings, the better opportunities individuals have to support a family's financial needs.

Baseline: \$26,300 in NL
(2003) (\$35,400 in Canada)

Recent Data: \$31,000 in NL
(2007) (\$37,200 in Canada)

Source: Statistics Canada

Jobless Family Rate



Description: The percentage of families in which all working-age persons do not have employment income for the year. Elderly families (those with the oldest partner being 65 years of age or older) were excluded from this rate, as these families may be self-sufficient based on income from pensions or other sources.

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

Baseline: 14.9% in NL
(2003) (11.4% in Canada)

Recent Data: 14.5% in NL
(2006) (11.0% in Canada)

Source: Statistics Canada

Percentage of Population in Receipt of Income Support

Description: Income Support is a program offered by the Department of Human Resources, Labour and Employment (HRLE). It provides financial benefits and other services to eligible low-income individuals and families to assist them in meeting daily living expenses. Similar Social Assistance programs are available in other provinces of Canada.

Rationale: The per cent of individuals in receipt of Income Support will offer additional information on our progress. A decrease in the per cent of recipients indicates there are fewer people in low-income who need assistance from government.

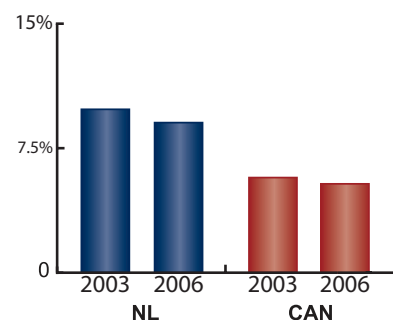
Baseline: 9.9% in NL
(5.6% in Canada)

Recent Data: 9.0% in 2006 (Note: 2009 data indicate a decline to 7.7% in NL; (5.2% in March 2006) in Canada)

Source: Department of Human Resources, Labour and Employment and Human Resources and Skills Development Canada

Note: Canadian percents do not include Nunavut, since this information is not available

Summary of Income Support Clients



There has been improvement in Newfoundland and Labrador.

Children and Youth Indicators

Healthy Birth Weights

Description: The percentage of newborns born at a healthy weight. A healthy weight is considered a birth weight between 2500 and 4499 grams (5.5 and 9.9 pounds).

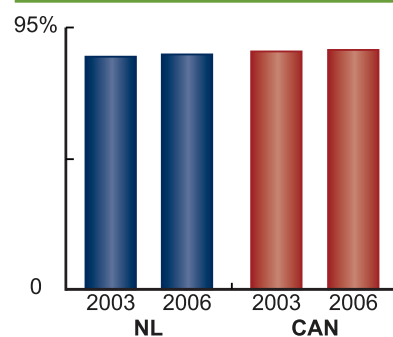
Rationale: Low birth weight births are often correlated with low-income, and can lead to increased risk of poor health and learning impediments.

Baseline: 91.1% in NL
(91.8% in Canada)

Recent Data: 91.4% in NL
(92.0% in Canada)

Source: Statistics Canada

Summary Healthy Birth Weights

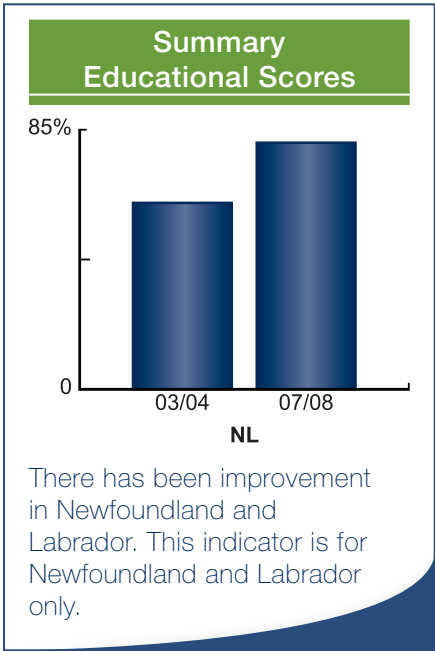


There has been a slight improvement for Canada as a whole and for Newfoundland and Labrador.

Early Development Instrument Score *(forthcoming)*

Description:	The Early Development Instrument (EDI) is a teacher-completed checklist that measures kindergarten children's readiness to learn at school in five domains: physical health and well-being, social competence, emotional maturity, language and cognitive development, and communication skills and general knowledge.
Rationale:	Early education for children—including programs for children in poverty who are most seriously at risk for school failure—makes a difference to children's success throughout their school experience.
Baseline:	No baseline data currently exist. The Department of Education will begin implementation of the EDI during the 2009-10 school year, thereby providing a baseline of children's school readiness for future years.
Recent Data:	No recent data currently exist.
Source:	Offord Centre for Child Studies, McMaster University

Educational Scores



Description:	Grade six mathematics and English language arts results from a yearly provincial assessment of student achievement against curriculum expectations.
Rationale:	The Grade six mathematics and English language arts results are good indicators of student achievement during elementary school and predictors of future educational success.
Baseline: (June 2004)	Math - data not collected English language arts - 61.0% of Grade six students reading at grade level. The Department of Education is currently working on a new model to allow for comparison of student performance from year to year.
Recent Data: (June 2008)	Math - 70.5 average per cent correct English language arts - 80.7% of Grade six students reading at grade level
Source:	Department of Education

High School Drop-Out Rate

Description: A high school drop-out is a person aged 20-24 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, so dropping out of high school can hinder a person's labour force potential. The high school drop-out rate differs from the graduation rate, since the drop-out rate measures those who have decided not to complete school at this time, whereas the graduation rate captures both those who participated in and completed high school and those who participated in and did not complete high school.

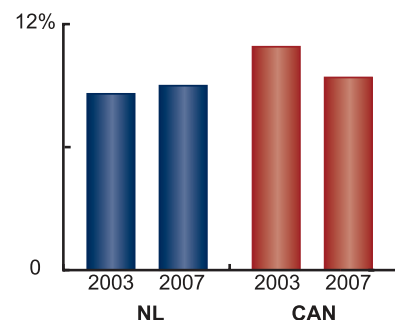
Baseline: (2003) 8.6% dropped out in NL (10.9% in Canada)

Recent Data: (2007) 9.0% dropped out in NL (9.4% in Canada)

Source: Human Resources and Skills Development Canada

Note: This measure is better used to gauge long-term trends rather than the short-term changes between 2003 and 2006.

Summary High School Drop-Out Rate



There has been improvement in Canada as a whole. While Newfoundland and Labrador rates are better than the Canadian average, there has been a slight increase in Newfoundland and Labrador.

Post-Secondary Educational Attainment

Description: The number of degrees, diplomas and certificates granted by post-secondary institutions. This includes universities, community colleges, and trade and vocational training programs.

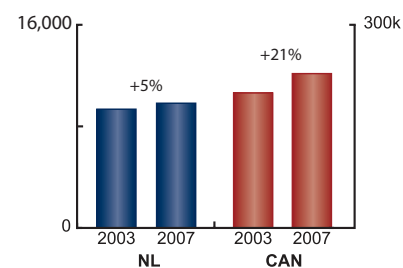
Rationale: The best predictor of whether or not people will live in poverty is their level of formal education

Baseline: (2003) 9,036 post-secondary degrees, diplomas and certificates granted in NL (198,795 granted in Canada)

Recent Data: (2007) 9,532 post-secondary degrees, diplomas, and certificates granted in NL, a 5% increase. (241,551 granted in Canada, a 21.5% increase)

Source: Statistics Canada

Summary Post-Secondary Educational Attainment



There has been improvement for Newfoundland and Labrador. The percentage change has been greater in Canada as a whole

Select Indicators in Detail

Low Income Cut-Offs (LICO)

This is the most commonly used statistical measure for defining poverty in Canada. Low Income Cut-Offs are used by Statistics Canada to identify those 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 2007, 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 \$22,206. The same family living in Grand Falls-Windsor needs an after-tax income of \$25,414 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 \$28,709 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, 2008 thresholds were released in June 2009. 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 2007 low income incidence, depth and persistence rates reported in this document were released in June 2009.

Source of data used in this report: Statistics Canada, *Income in Canada 2007*, Catalogue number 75-202-X.

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, and footwear, shelter (including utilities), and items not included in LICO, such as transportation, personal care, telephone, school supplies, and modest levels of 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.

The MBM is released irregularly by Human Resources and Skills Development Canada, with three releases over a nine year period. The most recent report was in September 2009 providing data for 2007.

Source of data used in this report: Human Resources and Skills Development Canada, *Low Income in Canada: 2000-07 Using the Market Basket Measure*, Catalogue number SP-909-07-09E.

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.

Source of data used in this report: Statistics Canada, CANSIM Table 111-0015.

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 Human Resources and Skills Development Canada’s Market Basket Measure, it incorporates modifications that make it more specific to the realities of this province. Like HRSDC’s 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 other groups

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

Table 2. Comparing the NLMBM to Traditional Measures of Low Income in Canada		
Common Measures of Low Income	Data Gathering Method	Data Gathering in Detail
Low Income Cutoffs (LICO)	Survey Sampling	Samples a small per cent of the population then extrapolates results to provide an estimate of the overall population
Low Income Measure (LIM)	Survey Sampling	
Market Basket Measure (MBM)	Survey Sampling	
Newfoundland and Labrador Market Basket Measure (NLMBM)	Tax-filer & other data sources	Provides data for approximately 100 per cent of the population.

In future years, NLMBM depth and persistence numbers will be reported as they become available.

Source of data used in this report: Newfoundland and Labrador Statistics Agency

NLMBM of Housing Affordability (NLMBM-HA)

To date, there have been no indicators that allow for the examination of the affordability of housing by low-income populations at the community level or for detailed family types, age cohorts or other characteristics such as gender. Based on the amount of disposable income available to low-income families and individuals, the new NLMBM of Housing Affordability (NLMBM-HA) indicators show the degree (e.g., incidence, depth, and persistence) to which low-income populations can afford housing where they live (e.g., neighbourhoods, communities, and regions). These new indicators are innovative measures based on income reported through the income tax system.

The Canadian Mortgage Housing Corporation (CMHC) considers a household that spends 50 per cent or more of its income on shelter as falling below a severe housing affordability standard. Merging this concept with the NLMBM, Low-income families with Extreme at Risk of Housing Affordability (eRHA) are defined as those in low-income who have to spend more than 50 per cent of their disposable income to purchase the NLMBM standard of shelter.

NLMBM-HA data are expected to be released by the Newfoundland and Labrador Statistics Agency in 2010 via the Newfoundland and Labrador System of Community Accounts.

Source of data used in this report: Newfoundland and Labrador Statistics Agency

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First Progress Report on the
Government of Newfoundland and Labrador's
Poverty Reduction Strategy