
Information Brief: Employment and Disability

Preface:

This document serves as a guide for those inquiring into the interconnected nature of disability and poverty, specifically in New Brunswick, Canada. We begin by examining how to define and measure poverty, and then explore the connection between disability and poverty. We then apply these measures to the New Brunswick situation and offer policy options for how the New Brunswick government can address problems of poverty and disability to ensure the full inclusion of persons with disabilities in economic and social affairs.

Defining and Measuring Poverty:

The concept of poverty (i.e., low-income) does not have a “one size fits all” definition; rather, it has largely been defined in three ways: the basic needs approach, the capability approach and the economic resources approach (Palmer 2011, 210). The first of these defines poverty as “the deprivation of basic needs [(e.g., food, water and health services)],” the second as “the capability [or lack thereof] to convert needs into well-being,” and the third “[as] not having sufficient money to live on” (Palmer 2011, 211-212). Despite these approaches to defining poverty, the concept is primarily measured in economic terms. In Canada, there are three principal measurements used, these being the low-income cut-off after tax (LICO-AT), the low-income measure (LIM) and the market basket measure (MBM), as explained below (Statistics Canada 2021a; Statistics Canada 2019d; Statistics Canada 2015).

First, the **LICO-AT** are “income thresholds below which a family will likely devote a larger share of its after-tax income on the necessities of food, shelter and clothing than the average family” (Statistics Canada 2021a). In comparison, “the **LIM** is a fixed percentage of median adjusted household income” (Statistics

Canada 2015). Lastly, the **MBM** determines low-income for a theoretical four-person household (two adults and two children) “based on the cost of a specific basket of goods and services representing a modest, basic standard of living” (Statistics Canada 2019d). In addition to these three measures of low-income, there remains a fourth which stems from the LIM and MBM, this being a standard entitled “**deep poverty.**” In essence, deep poverty is a benchmark established to determine those who are significantly impoverished. The income standard for deep poverty is considered to be below 50% of the LIM (Dutton and Emery 2019, 5; New Brunswick Common Front for Social Justice 2017, 2).

Disability and Poverty:

As stated by Palmer (2011, 2016), “poverty is closely related to disability”. This statement is affirmed by those such as Maroto (2016, 161), who in analyzing data from the 1999, 2005 and 2012 Survey on Financial Security, found that “people with disabilities [in Canada] held \$22,000 less in net worth compared to similar people without disabilities.” Such findings raise the question: Why is the prevalence of poverty higher in those individuals with disabilities than those without? In simple terms, the answer is that those with disabilities experience a plethora of additional costs associated with their disability (e.g., caregivers, health-related expenditures, transportation, etc.) and thus, “face above-average poverty risks” (see Mitra et al. 2017, 480; Rosano, Mancini, Solipaca 2009, 77; Saunders 2007, 464). In addition to disability-associated costs, these individuals also often face barriers to accessing employment (e.g., discrimination, technological barriers, etc.), which further “increases their risk of living in poverty” (see Skills Next 2020, 15-16; Yilmaz 2020, 761).

About the New Brunswick Coalition of Persons with Disabilities (NBCPD):

The NBCPD is a non-partisan organization that acts to represent those with disabilities in New Brunswick. Their goal is to ameliorate the day-to-day lives of persons with disabilities in the province through advocacy. For more information, see NBCPD.ORG.



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Therefore, and as seen, there is a correlation between disability and poverty, which one can see in New Brunswick today.

Disability and Poverty in New Brunswick:

According to the New Brunswick Premier's Council on Disabilities, "[as of 2017,] 26.7% of the province's population aged 15 years and older [experienced a disability]," which was well above the national average of 22.3% (New Brunswick 2020b, 4). On top of this, the 2015 median income of persons with disabilities 25 to 64 years old was \$26,879. This is \$1,573 less than the national median (New Brunswick 2020b, 6). More striking than this however is the fact that those in the same group (aged 15-64) had lower participation and employment rates, and higher unemployment rates, than those without disabilities in 2016 (see Table 1). These labour force statistics are concerning, especially when one examines income measures of poverty as shown in Table 2.

Table 1: Labour Force Characteristics, Persons with & without Disabilities, New Brunswick, 2016.

Characteristic	Persons with Disabilities	Persons without Disabilities
Participation Rate	62.1%	84.5%
Employment Rate	55.4%	76.5%
Unemployment Rate	10.8%	9.5%

Source: New Brunswick, Department of Post-Secondary Education, Training and Labour, *Persons with Disabilities in New Brunswick*, 4.

Despite the alarming statistics presented, and the additional costs associated with having a disability detailed above, the Government of New Brunswick has incorporated persons with disabilities under the provincial social assistance program (New Brunswick Common Front for Social Justice 2017, 2). However, in 2018, the social assistance program alongside other benefits only provided \$9,805.50 to individuals

with disabilities, which is well below the LICO-AT, LIM and even deep poverty measurements for the same year in New Brunswick's three largest cities (see Table 2). Nevertheless, social assistance has seen marginal increases since 2018, such as a five percent increase in 2020 (McCreadie 2020). While important, recent increases have not made up for inflation over the past three decades (see Maytree 2021). This said, the current system does not meet the needs of persons with disabilities who, on average, experience a higher level of poverty. Therefore, more is needed when moving forward.

Table 2: LICO-AT, LIM, MBM, Deep Poverty & Single Person with a Disability Income in New Brunswick's Three Main Cities, 2018 Dollars.

	Saint John	Moncton	Fredericton
LICO-AT (Single Person)	\$17,939	\$18,166	\$17,939
LIM-AT (Single Person)	\$24,183	\$24,183	\$24,183
MBM	\$20,850	\$21,013	\$21,953
Deep Poverty (LIM)	\$12,091.50	\$12,091.50	\$12,091.50
Single Person with Disability Income	\$9,805.50	\$9,805.50	\$9,805.50

Sources: Maytree, "Welfare in Canada," Statistics Canada, *Census Profile, 2016 Census: Fredericton*; Statistics Canada, *2016 Census: Moncton*; Statistics Canada, *2016 Census: Saint John*; Statistics Canada "Low-income cut-offs (LICOs)," Statistics Canada, "Low-income measure (LIM) thresholds;" Statistics Canada, *Dictionary, Census of Population, 2016: Market Basket Measure (MBM)*. Note: Here the MBM is divided by two, as was done by New Brunswick Common Front for Social Justice (2017, 3), to simulate the MBM for a single individual.

Moving Forward:

The most tangible option for the government of New Brunswick would be to, as suggested by many, institute a new program separate from social assistance specifically for persons with disabilities (see New Brunswick Common Front for Social Justice 2017, 9; New Brunswick 2020b, 25). Such a program would not entail removing those social assistance benefits such



as health insurance (the so called “white card”) from persons with disabilities but instead, raise the level of income provided to them. Similar measures have been undertaken elsewhere in Canada, including in Alberta, Ontario and British Columbia (Kneebone and Oksana 2011). As of 2019, the current monthly living allowance for the Alberta program, called the Assured Income for the Severely Handicapped (AISH), was \$1,685 a month or \$22,220 a year (Alberta 2019). A similar program is needed in New Brunswick that brings persons with disabilities in line with the LIM measure, and also, that the funds are indexed with inflation each year (something that the AISH fails to do; see Kneebone and Oksana 2011, 17). Lastly, poverty in relation to persons with disabilities needs to be clearly defined - something which the government of New Brunswick falls short of doing in their 2020 Economic and Social Inclusion Plan (see New Brunswick 2020a). Moreover, defining poverty within the capability approach discussed above would not only provide those with disabilities the means to sustain themselves financially, but also the opportunity to achieve a happier life. Overall, and as identified here, the government of New Brunswick should implement a disability-specific assistance program while also remaining cognizant of how poverty is defined and affects persons with disabilities.

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