

**Social Assistance Reform in Nova Scotia:  
Moving Forward a Woman Positive Public Policy Agenda**

# **Survival Strategies**

**Women on Employment Support &  
Income Assistance (ESIA) in  
Nova Scotia Provide Their Key  
Recommendations for Policy Reform**

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## **Funded by**

Status of Women Canada, Women's Program

**Revised: October 2006**

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## **Thank you and Dedication**

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We, the Project Partners and Project Coordinator, would like thank the participants and planning committee of the 'Moving Forward on Social Assistance Reform Working Session' for the invaluable contributions of their wisdom, experience, and insight.

This report is dedicated to the 17,083 women and 15,638 children who are currently on the Employment Support and Income Assistance Program in Nova Scotia.

# 1. Poverty is Policy Created

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Current policies of the Employment Support and Income Assistance (ESIA) Program can either lock women within the system or make them vulnerable to a return to income assistance by pushing them into low wage employment. Policies can prevent women from adequately caring for themselves and their families. Policies can place a women's health, and that of her family, in jeopardy while increasing provincial healthcare costs. Policies can send a message to women that their unpaid caregiving work in the home and the community is not valued and neither is their contribution in the paid labour force. Policies can create and perpetuate poverty.

Governments must create policies that address the root cause of poverty while addressing the immediate impact that living in poverty presents. A critical need exists to reform the policies of the current system to adequately address and lift the barriers facing women on income assistance today. Effective policy alternatives must be developed that will loosen the devastating grip that poverty holds on thousands of women and families in Nova Scotia.

We are not asking for a lot. Women's poverty is not simply an issue of economics, but an issue of equality and fundamental human rights. No woman should be expected to live below the low-income cut-off. When we alleviate the poverty of the poorest of poor women, we will alleviate the poverty of all Nova Scotians.

# 2. Our Conversations with Women Most Impacted by Policies

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The recommendations put forth in this report are rooted in the struggles that face women on income assistance in Nova Scotia. During the summer of 2005, we traveled across the province to speak with women with lived experience of poverty to hear their priorities for change, and to learn more about the ways current ESIA policies are impacting their daily lives.<sup>1</sup>

We visited 11 regions throughout the province and met with 91 women who were in former, or are current, receipt of Nova Scotia's Employment Support and Income Assistance Program. Women's Centres and Family Resource Centres hosted the dialogues. Our travels enabled us to document the experiences of women from varied backgrounds and circumstances while developing an in-depth analysis of the ways in which the current policies are fueling women's poverty.

During each session, participants carefully reviewed the recommendations from previous project reports, *Social Assistance Reform in Nova Scotia: Is It Working for Women?* (May-November 2002) and *Follow-Up to Social Assistance Reform: Making it Work for Women!* (October 2003-April 2004). These initial projects assessed the impact of the Employment Support and Income Assistance Program on women and made a number of important recommendations for the improvement of social assistance policy and delivery. Following an in-depth review of the recommendations, participants prioritized areas for policy reform and provided us with a mandate to move forward. Our conversations confirmed the desire of women to adequately care for themselves and their families, contribute to their communities, find meaningful employment and live a life independent of ESIA. Women told us that current ESIA policies are actually hampering these efforts.

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<sup>1</sup> Ross, Rene. Struggling to Survive: Women on Employment Support and Income Assistance Provide Their Key Areas for Policy Reform. Antigonish Women's Centre, Pictou County Women's Centre and Every Woman's Centre, Sydney: 2006.

### **3. The Working Session**

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In May 2006, women from across Nova Scotia met in Halifax for a two and a half day Working Session entitled “Moving Forward on Social Assistance Reform.”

This working session brought together women most impacted by the current ESIA legislation, women’s social justice organizations, equality seeking organizations, anti-poverty groups, and advocates to develop key recommendations for policy reform based on the struggles identified by women most impacted by the policies.

The following recommendations stem from the economic realities and daily struggles of women on income assistance, have been studied, discussed, debated and put forward by a group of 41 dedicated women who possess decades of combined experience in the areas of women’s poverty, children’s poverty, community development and research, economics, law, health, housing, food, immigration, and issues affecting aboriginal women, black women, immigrant women, Acadian women, disabled women, senior women, LGBTT women, rural women and urban women.

On the final day of the Working Session, senior bureaucrats from the Department of Community Services attended the ‘listen and learn’ portion of the conference on behalf of the Minister of Community Services, during which time these recommendations were presented.

### **4. Survival Strategies**

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The recommendations outlined in this report were provided to the Department of Community Services during the Working Session. They are the result of intensive research, in-depth discussions, best practices, and an inclusive collaboration with equality seeking organizations and women on Employment Support and Income Assistance in Nova Scotia.

They are concrete recommendations that, if implemented, will help loosen the grip of poverty and result in more self sufficient and healthier families.

### **5. Addressing the Struggle for Food & Shelter**

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#### **5.1 The Current Policy**

Basic assistance rates for ESIA in Nova Scotia consist of a personal allowance and a shelter allowance. According to *Everyone needs help sometimes: Nova Scotia’s Employment Support and Income Assistance Guide*, the personal allowance is for food, clothing and other personal needs. As of October 2006 the maximum personal allowance is \$200 per month. The Shelter Allowance pays rent for an apartment or boarding house, or mortgage payments. It includes an amount for utilities like

electricity and heat.<sup>2</sup> The maximum shelter allowance for a family of 3 or more is \$620 as of October 2006.

## 5.2 What Women Impacted by This Policy Told Us

After speaking to women on the ESIA program, it became evident that personal allowance amounts and shelter allowance amounts are failing to provide for women and their families in the areas outlined by the Department of Community Services.

Given the economic realities facing women on income assistance and the risks involved when living below the poverty line, a priority area for every woman we met across the province is the raising of personal allowance rates.

Every woman we met who receives income assistance in Nova Scotia is taking money from one area to cover another. Affordable housing is not widely available and power rates in the province continue to escalate. An overwhelming number of women told us that their biggest need now is food, and that personal allowances are so low that the nutritional health and well being of their families is being compromised.

A concern for the many women we spoke to is that while income assistance rates remain little more than stagnant, the cost of living in Nova Scotia continues to climb. By ensuring that allowance rates remain below actual living standards, the poverty of women is both created and perpetuated.

## 5.3 The Recommendation

Increase personal allowances and shelter allowances immediately to improve the quality of life for women and families on Employment Support and Income Assistance.

Based on the economic needs of a single woman between the age of 25-49, living in rural Nova Scotia, and considering the basic necessities such as nutritional food requirements and shelter, allowances fall short.

### Economic Needs of a Single Woman (Aged 25-49)

Chart #1.

Shelter (1 Bedroom in New Glasgow)	\$560
Power (Electricity costs)	\$50
Nutritional Food	\$146
Telephone	\$25
Laundry, hygiene products, prescription co-pay	\$60
<b>TOTAL of Basic Necessities</b>	<b>\$841</b>
<b>Total ESIA Personal &amp; Shelter Allowance</b>	<b>\$500</b>
<b>Difference</b>	<b>- \$341</b>

Note: Transportation, clothing, footwear, and monies for physical activity are not included in these calculations due to unreliable data. We recognize that these areas are crucial basic necessities.

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<sup>2</sup> Nova Scotia Department of Community Services. "Guide to ESIA: Everyone Needs Help Sometimes." Re-printed 2006.

### **Sources:**

- Apartment Rental for New Glasgow provided by Canadian Housing and Mortgage Association *Rental Market Report. Nova Scotia Highlights. October 2005 Survey.* [cmhc-schl.gc.ca](http://cmhc-schl.gc.ca)
- Power Rates provided by Nova Scotia Power, based on average electrical use by residential customers in Nova Scotia. Amount does not include costs for heat or hot water.
- Cost of Nutritional Food calculated based on the Nova Scotia Nutrition Council's *2004/2005 Food Costing Update.* (June 2006). [nsnc.ca](http://nsnc.ca).
- Telephone costs were estimated using the costs of basic telephone service from Aliant and Eastlink, the two main providers in Nova Scotia. [eastlink.ca](http://eastlink.ca) and [aliant.ca](http://aliant.ca).
- The costs for laundry, hygiene products and prescription co-pays was determined through participatory research at the Moving Forward Working Session.

### **Personal Allowance Recommendation:**

To support the self-sufficiency, safety and health of women and their families on income assistance, the following recommendations are put forward:

- Increase personal allowances by at least \$75.00 per month to reflect the actual cost of basic necessities.
- Reimburse transportation and medical expenses at actual cost.
- Index all rates to the cost of living.

### **Shelter Allowance Recommendation:**

Very often, women take money from their personal allowance to supplement rent because Shelter Allowances are not adequate to cover actual costs. For instance, a single woman on ESIA in New Glasgow receives \$300 for rent, yet the average rental price for a one-bedroom apartment in the town is \$560.<sup>3</sup>

- Increase shelter allowances to reflect actual rental rates or mortgage costs and the cost of utilities. Put controls in place to prevent landlords from simply raising their rents when shelter allowances are raised.

## **5.4 How Nova Scotia Will Benefit**

Although the cost associated with the above recommendations could exceed \$27 million, the benefits to Nova Scotians will far out weigh the cost:

- A key determinant of health is socio-economic condition. Poverty is a primary contributor to poor health. When women on income assistance are not in a constant struggle of survival, the people of Nova Scotia will see huge savings in health care costs.
- Women who are not constantly struggling to survive and possess quality of life are better able to concentrate on education and training and to benefit from Employment Support Services. Women feel valued when treated respectfully. When a woman is valued and her confidence is

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<sup>3</sup> CMHC Rental Market Report. *Nova Scotia Highlights.* October 2005 Survey

strengthened, she is more likely to gain self-sufficiency and be able to contribute to the economy and her community.

## **6. Addressing the Struggle to Work**

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### **6.1 The Current Policy**

Currently, recipients of the ESIA Program who engage in part-time or full-time employment are permitted to keep 30% of their net earnings. This means that 70% of their wages are deducted from their benefits. Recipients in training programs are permitted to keep \$150 per month.

ESIA recipients with jobs or training allowances are allowed actual transportation costs to a maximum of \$150, actual childcare to a maximum of \$400 and other employment related costs.

This policy takes effect until a recipient earns enough employment income to bring her up to ESIA levels, at which time her personal and shelter allowances are eliminated. Pharmacare, childcare and transportation benefits are kept in place for a limited period of time.

The Department of Community Services states on its website that they are committed to promoting the independence, self reliance, security and well being of the people they serve. Furthermore, when that ESIA Program was reformed in 2000, the Minister of Community Services stated “We have to encourage and support people to move into the labour force and remain there.”<sup>4</sup>

### **6.2 What Women Impacted By This Policy Told Us**

Women have told us that they want to work and support their families. Women want to move into secure and sustainable employment and out of poverty.

Yet, women are finding that the current policy presents barriers to working and maintains and prolongs their poverty rather than helping them move forward in their lives. Women working in low waged jobs experience the 70% clawback of their income assistance as punitive in that it does not allow them to keep enough of their earnings to make a difference in their daily struggle to survive.

Women feel the current policy forces them to trade Income Assistance benefits for low waged work. Women who are not able to support their families on low wages are likely to return to income assistance.

For women living in poverty, going to work requires significantly more effort than it does for middle and upper income earners. Arranging childcare and transportation can be challenging and time consuming. This is especially the case for single mothers who are doing shift work, working in casual positions, doing seasonal or part time work and for women living in rural areas where there is limited or no public transportation system or childcare centers.

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<sup>4</sup> Statement from the Minister was found through the Province of Nova Scotia (June 12, 2000) *New Income Assistance System for Nova Scotia*. Department of Community Services Press Release. Accessed 2005 at [www.gov.ns.ca/news](http://www.gov.ns.ca/news). The Department of Community Services website is [www.gov.ns.ca/coms](http://www.gov.ns.ca/coms).



Often, the benefits of working are outweighed by the cost of the clawback. Working poor women are juggling too little income, too many bills, too much responsibility and too little time.

The inherent desire of women living in poverty to improve their situation needs to be recognized, built upon and supported by the Department of Community Services through the Employment Support and Income Assistance Program.

## **6.3 The Recommendation**

To help women make successful transitions and to secure and sustain meaningful employment we recommend the following Immediate and Long Term Recommendations:

### **Immediate Recommendations**

- Allow single persons to keep the first \$200 of their wages or training allowances. Allow the remainder of their wages to be deducted from their benefits at a rate of 50%. (see chart #2).
- Allow single persons with dependants to keep the first \$400 of their wages or training allowances. Allow the remainder of their wages to be deducted from their benefits at a rate of 50%.
- Provide childcare and transportation support at their actual costs until the recipient has completed their first year of continuous secure employment and until their income is at or above the Low Income Cutoff as determined by Statistics Canada.
- Keep a recipient's file open until they have completed their first year of continuous secure employment so that there is no penalty should that person need to return to Income Assistance during that time.
- Allow recipients to keep their full income tax refunds without penalty.
- Ensure that there is fair and consistent interpretation and implementation of all ESIA policies across the province. This includes implementing fair and consistent reporting mechanisms such that women need to report only when their circumstances change and not requiring women to provide attendance records for Community College and training programs.
- Protect the privacy of personal information. Do not require recipients to provide the Department of Community Services with access to their bank account information nor to divulge to their landlords or to anyone else that they are recipients of ESIA.

### **Long Term Recommendations**

- Raise the minimum wage to \$10 per hour and index this wage to the cost of living.
- Allow women on income assistance to keep their wages and income assistance benefits until their income is at or above the Low Income Cut-Off as determined by Statistics Canada.
- Work with the Federal Government to implement a National Pharmacare Program and provide pharmacare to all income assistance recipients and the working poor.
- Work with the Federal Government to implement a National Childcare Program that adequately addresses the needs of low-income families.
- Learn what is working in other countries, such as recent initiatives of the British Government to cease the clawing back of money from the poor.

## How this Recommendation will Support a Woman with 2 Children.

Chart #2.

Total Social Assistance Income (Personal Allowance at \$200 + Shelter at \$620)	=	\$820
Total Net Income for a woman working 25 hours/week at \$7.15/hour	=	\$691
Allowed Exemption at \$400 + 50% of remaining \$291 earnings (or \$145.00)	=	\$545
Retained Social Assistance Income (\$820 - \$145 or 50% earning deduction)	=	\$675
Total Waged and Income Assistance Income (\$545 + \$595)	=	\$1350
<b>Net Increase over Income Assistance</b>	=	<b>\$530</b>

## 6.4 How Nova Scotia Will Benefit

Improving the earnings exemption will not only benefit women on income assistance, it will benefit Nova Scotia.

- More women will be able to afford to work. Fewer women will be fully dependant on the Department of Community Services for their income.
- Women living on low income spend 100% of their income on goods and services, most of it in their local communities. Increasing the income of women living in poverty will have a positive impact on the community as it stimulates economic growth at the local level.
- Women will be supported to seek and sustain meaningful employment. Through meaningful employment, women will gain experience, enhance their employability, and earn higher wages. This will have a positive impact on their sense of self, their health and well being, and that of their children. Women will be less likely to require income assistance in the future and their children will be less likely to require income assistance or other interventions later in their lives.
- Children who are not living in poor homes are more likely to have better outcomes. This is not because they have better parenting but because they have more opportunities and they and their mothers are less likely to experience exclusion. For example, children not facing the stigma and exclusion of poverty are more likely to stay in school, live in better housing in safer neighborhoods, to be involved in extra curricular activities and to have more opportunities and options available to them.
- Women who are supported by the Department of Community Services until they can secure sustainable employment will be healthier. Healthier women will create healthier families and healthier communities.

## 7. Addressing the Struggle to Meet Work & Family Demands

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### 7.1 The Current Policy

Current Employment Support and Income Assistance policies force women to enter into job searches or employment when their child turns one year of age. Chapter 5, Section 9 of the Employment Support and Income Assistance Policy Manual reads; “Where a child or the spouse of a recipient gives birth to a child or adopts a new child, the recipient or the spouse of the recipient will be exempted from participation in employability related activity for a period of twelve calendar months from the date of the birth of the child/or adoption of a new child.

The Department of Community Services states in its various literature that the purpose of the Employment Support and Income Assistance Act is to provide for the assistance of persons in need, and in particular to facilitate their move towards self-sufficiency.

In the Department of Community Services 2003/2004 Accountability Report, the Department acknowledges the multiple barriers to employment that exist for those individuals that remain on the ESIA caseload. Barriers noted by the Department include changing family circumstance, childcare, and educational/training gaps.

The Department has stated that clients in this situation require time and support to make a successful transition into the workforce.

## **7.2 What Women Impacted by This Policy Told Us**

Nova Scotia's policy that forces a woman to seek and attain paid employment is one of the most severe in the country. Nova Scotia's low child age limit devalues a mother's role and fails to recognize the importance of child rearing in our society. Mothers of young children on ESIA are being forced into low paying jobs without the options and strategies that will help them to achieve economic independence. Some of the challenges women in this situation face include the lack of adequate and affordable childcare, good job opportunities, and family centered work environments.

The current policy fails to recognize the following:

- That mothers of young children should have the inherent right to choose the care they feel is appropriate for their own children and that for some women it needs to be them and it needs to be in their own home.
- That the unwaged labour of parenting and child development in the home is as valuable as waged labour outside the home.
- That participating in the workforce, when she and her family are not ready, can place a lone parent in direct conflict with the responsibilities and tasks associated with parenting.
- That most women have a strong desire to be in the waged workforce and the decision to do so for women is based on the best interest of the family.
- That women need and rely on social programs such as ESIA because they have real challenges and barriers and they are entitled to these programs.
- That Maternity Benefits and Income Assistance are not equitable systems and should not be used to argue for a one year parental leave for low income women.
- That forcing programs on adults is counter productive and leads to additional barriers.
- That the ESIA policy can increase stress and negatively impact the health and well being of women and their families.

## **7.3 The Recommendation**

Abolish the 'parental leave policy.' We strongly agree with the policy approach of both Newfoundland and New Brunswick in which there is no parental leave policy and single mothers are not required to find and attain paid employment. Allow mothers to choose to stay home until they feel it is in the best interest of their family for them to be in the paid work force. If the Department is not willing to implement this policy, allow children to reach school age before such employment and training mandated policies are imposed.

Employment Support Services are a very important component to this approach and they need to be enhanced to meet the real needs of women. It is essential that the services of the Employment Support Services Division of the Department of Community Services remain open to mothers on income assistance and are combined with career planning to support women in securing good jobs.

## **7.4 How Nova Scotia Will Benefit**

There are many benefits to the Province if the current ESIA ‘parental leave policy’ is abolished.

- This approach will be in step with the province’s multi-system approach to meeting the needs of women on ESIA.
- The overall health of women will be improved and in turn the health of their children.
- More women who are ESIA recipients will secure meaningful and secure employment.
- Governmental staff will be less stressed as the approach is based on one of cooperation, not punishment.

We are confident that such an approach will remove the need for enforcing policy and build on the foundation of opportunity, entitlement, and cooperation. These are values we all support.

## **8. Where We Go From Here**

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The time, energy and passion of many strong and resilient women went into the development of this project and the subsequent recommendations for policy improvement. Throughout our travels, some of our conversations with women were filled with frustration, others with shock and sadness, and many...many...with a sincere hope for positive change .

During the Working Session and throughout our collaborative work with social justice groups, women’s equality seeking organizations, non-governmental agencies, community groups, advocates and other Nova Scotians we strengthened our commitment to alleviate poverty and to provide a voice for the thousands of women who feel they are being silenced.

A representative from the Department of Community Services remarked at the Working Session that “poverty is a complex issue.” We couldn’t agree more. Due to its complexity, a woman’s poverty and that of her family requires a range of supports if it is ever to be properly addressed. Positive policy change needs to happen and women need to provide input into the policies that impact them.

We are recommending that a joint Department of Community Services Women’s Working Committee be established to develop a plan for implementing the aforementioned recommendations.

The health and well-being of thousands of women and families depend upon it.

## **Fact Sheet A: The Struggle for Food and Shelter**

**Summary:** Basic assistance in Nova Scotia consists of a Personal Allowance and a Shelter Allowance. The Personal Allowance covers the cost of food, clothing, and miscellaneous essentials for adults in the family. The Shelter Allowance includes the actual amount for rent/mortgage, fuel and utilities, up to the allowed maximums. **The maximum personal allowance as of October 2006 is \$200 per month. The maximum shelter allowance is \$600 (if 3 or more people reside in the household).**

### **Income Assistance Allowances in Nova Scotia (2005):**

These are estimates as to the ESIA income for 2005. Incomes can vary depending on a number of factors (i.e. Special Needs Allowances).

Nova Scotia	Basic Income Assistance	Prov/Fed Child Tax Benefits	GST Credit	Total Income	Poverty Line**	Poverty Gap
Single Employable	\$5,196		\$226	\$5,422	\$ 17,895	-\$12,473
Person with a Disability	\$8,646		\$251	\$8,897	\$ 17,895	-\$8,998
Lone Parent, One Child	\$8,826	\$3,076	\$570	\$12,917	\$ 22,276	-\$9,359
Couple, Two Children	\$11,544 \$150 *	\$6,541	\$689	\$19,032	\$ 33,251	-\$14,219

\* These are additional benefits that include Christmas supplements, school supplies, etc.  
Source: National Council on Welfare. (2006). *Welfare Incomes 2005*. Minister of Public Works and Government Services Canada, Ottawa.

\*\* The National Council on Welfare uses Low Income Cutoffs from Statistics Canada to determine the Poverty Line. These poverty lines are based on the number of people in the household in a community population of 100,000 to 499,999.

### **Allowances for Children:**

- In 2001, Nova Scotia eliminated personal allowances for all children under 18 while deciding to allow welfare recipients to keep the full provincial and federal child tax benefits.
- Benefits for children on income assistance are provided through federal and provincial child tax benefits. As of July 2006, the maximum benefit for one child on social assistance under the age of 6 is \$324.49. (Basic Monthly amount, \$125.33, National Child Supplement, \$162.08 and the Nova Scotia Child Benefit Amount of \$37.08). In addition, parents with children under the age of 6 receive the Universal Child Tax Benefit in the amount of \$100 per month per child.

### **The Struggle for Food**

- People on income assistance are the largest group of food bank recipients in Nova Scotia (62% of the population) **Source:** Feed Nova Scotia 2005 Hunger Count [www.feednovascotia.com](http://www.feednovascotia.com).
- The most common family type that accesses food banks in Nova Scotia are lone parents (at 34.2% of the population). These parents are responsible for feeding 8000 of Nova Scotia's children.
- According to Feed Nova Scotia, inadequate social assistance benefits and the low wage economy are contributing to the increased use of food banks.

### **The Struggle for Shelter**

According to the Department of Community Services, the Shelter Allowance includes the actual amount for rent/mortgage, fuel and utilities, up to the allowed maximums. The following chart illustrates that the maximum shelter allowance fails to cover most rental costs in the Halifax Regional Municipality.

*The Struggle for Shelter cont'd...*

Shelter Comparisons: Rates vs. Rental Prices			
Family Size	Maximum Shelter Allowance Rent/Own Home*	Average Monthly Rents for Halifax**	
1	\$300	1 Bedroom	\$626
2	\$570	2 Bedroom	\$762
3+	\$620	3 Bedroom	\$927

**Source:** \* In the 2006-2007 N.S. Budget, it was announced that shelter rates will increase in October 2006 by \$15 a month for single renters and \$20 a month for households. \*\* CMHC Annual Rental Market Survey Halifax 2005 (Average rent of privately initiated apartment structures of three units and over).

**Power & Utilities**

- In Halifax, the average power bill consumes 11% of social assistance income. In 2003, 2,131 Nova Scotia households had their power disconnected because they couldn't pay. (**Source:** Ecology Action Centre).
- In March 2006, the Nova Scotia Utility and Review Board approved the request of Nova Scotia Power to increase its rates by 8.9%.

**ASSISTANCE INCOMES: 2005 PROVINCIAL COMPARISONS:**

Province	Person with a Disability
Alberta	\$7,851
New Brunswick	\$7,995
PEI	\$8,084
Manitoba	\$8,601
Saskatchewan	\$8,893
<b>Nova Scotia</b>	<b>\$8,897</b>
Nfld & Lab.	\$9,728
Quebec	\$10,063
British Columbia	\$10,656
Ontario	\$12,057

Province	Lone Parent, One Child
Alberta	\$12,326
<b>Nova Scotia</b>	<b>\$12,917</b>
Saskatchewan	\$13,235
Manitoba	\$13,282
New Brunswick	\$13,656
PEI	\$13,707
British Columbia	\$13,948
Ontario	\$14,451
Quebec	\$15,395
Nfld & Lab.	\$16,181

Province	Single Employable
New Brunswick	\$3,427
Alberta	\$5,050
<b>Nova Scotia</b>	<b>\$5,422</b>
Manitoba	\$5,818
PEI	\$6,214
British Columbia	\$6,456
Saskatchewan	\$6,663
Quebec	\$6,947
Ontario	\$7,007
Nfld. & Lab.	\$8,198

Province	Couple with Two Children
New Brunswick	\$17,567
British Columbia	\$18,466
<b>Nova Scotia</b>	<b>\$19,032</b>
Ontario	\$19,302
Saskatchewan	\$19,327
Alberta	\$19,497
Nfld. & Lab	\$19,578
Manitoba	\$20,357
Quebec	\$20,704
PEI	\$21,213

**Source:** National Council of Welfare (2006) Welfare Incomes 2005.

## **Fact Sheet B: The Struggle to Work**

### **The Current Policy:**

- Currently, recipients of the Employment Support and Income Assistance Program who engage in part-time or full time employment are permitted to keep 30% of their net earnings. This means that 70% of the recipients net wages are deducted from their benefits. Recipients in training programs are permitted to keep \$150 per month.
- ESIA recipients with jobs or training allowances are allowed actual transportation costs to a maximum of \$150, actual child care to a maximum of \$400 and other employment related costs. Earning exemptions are then applied to wages or training allowances.
- This policy takes effect until a recipient earns enough employment income to bring them up to ESIA levels, at which time their personal and shelter allowances are eliminated. Pharmacare, child care and transportation benefits are kept in place for a limited period of time.

**Source:** Employment Support and Income Assistance Manual. [www.gov.ns.ca](http://www.gov.ns.ca).

### **Women and Employment:**

- A significant earnings gap still exists between men and women. The average annual earnings of the average Nova Scotia woman in 2003 was 64% of the average man. (\$21,300 vs. \$33,100). Even when women participated in the labour force on a full year, full time basis, their average earnings were only 69% of men with the same full year, full time status. (\$31,900 vs. \$46,100).

**Source:** Statistics Canada (2005) *Income Trends in Canada*. 1980-2003, 13F0022XCB.

- Women are much more likely than their male counterparts to work part-time, that is, work less than 30 hours per week. In 2004, over 2 million employed Canadian women, 27% of the total female workforce, were part-time employees, compared with just 11% of men. Women are more likely than men to work part-time because of child care or family responsibilities and the lack of sustainable jobs.

**Source:** Statistics Canada (2002). *Women in Canada*. 89-503-XIE

### **The Importance of Earning Exemptions**

- Earning exemptions can provide a means for income assistance recipients to improve the quality of their lives. Exemptions encourage individuals to gain experience in the labour market and provide a greater incentive for people to take paying jobs.

**Source:** National Council on Welfare (2005) *Welfare Income 2004*. Minister of Public Works and Government Services Canada, Ottawa.

### **The Minimum Wage:**

- Although the minimum wage was raised to \$7.15 per hour in April 2006, Nova Scotia's rate is the fourth lowest in the country. (Eight provinces and territories have a higher minimum wage than Nova Scotia).

**Source:** Human Resources and Skills Development Canada.

## Fact Sheet B

- Over 63% of minimum wage recipients in the country are women\*. As women move into low paying jobs they may never earn enough income to bring them up to income assistance levels. This can perpetuate a woman's dependence on Employment Support and Income Assistance.

\*Source: Battle, Ken, (2003) *Minimum Wages in Canada: A Statistical Portrait*.

- According to the Canadian Centre for Policy Alternatives, the minimum wage in Nova Scotia needs to be raised to \$8.20 an hour to bring a single worker up to the poverty line.

### Worksheet: How the ESIA 30% Net Policy affects a single mother with 2 children:

Based on paid employment at 25 hours a week at the provincial minimum wage:

Income	ESIA Personal Allowance	ESIA Shelter	Total Social Assistance
Social Assistance	\$200.00	\$620.00	\$ 820.00

  

Paid Employment	Gross Salary*	Tax Deductions**	Total Net Income
25 hours/\$7.15 hour	\$717.47	- \$26.14	\$691.32

  

Allowed Exemption (30% of \$691.32)	\$207.40
Social Assistance Clawback (Net minus Exemption @ 70%)	\$483.92

  

<b>Total Employment Income</b> \$691.32	+	<b>Total Social Assistance</b> \$336.08 (\$820 - \$483.92 = 336.08)	=	<b>Total Monthly Income</b> \$1027.40
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**NOTE:** This chart is based on monthly earnings.

\* The gross salary calculated here includes the standard vacation pay at 4%.

\*\* Basic deductions based on 'Claim Code 1.'

**Summary:** This single mother worked approximately 100 hours a month for a gain of \$207.40.

### Provincial Comparisons:

- In Ontario, a single parent with one child is allowed to keep the first \$275.00, plus a variable exemption from net earnings, plus child care.
- In Alberta all recipients are allowed to keep the first \$230.00 plus 25% of any income over \$230. Childcare and work related expenses are also recognized.



## **Fact Sheet C: The Struggle to Meet Work and Family Demands**

**The Current Policy:** Chapter 5, Section 9 of the Employment Support and Income Assistance Policy Manual Reads: “Where a recipient or the spouse of a recipient gives birth to a child/or adopts a new child, the recipient or the spouse of the recipient will be exempted from participation in employability related activity for a period of twelve calendar months from the date of the birth of the child/or adoption of a new child.”

**Provincial Comparisons:** Comparisons of other provincial policies illustrates that Nova Scotia’s welfare to work policy for mothers is one of the most severe in the country.

<u>Province</u>	<u>Age of Child as Determinant of Mothers Employability.</u>
Alberta	1 year of age.
Nova Scotia	1 year of age.
Prince Edward Island	1 year of age.
British Columbia**	3 years of age.
Nunavut	5 years of age.
Quebec	5 years of age.
NWT	6 years of age (if 2 or more children in home) 3 years (for 1 child).
Manitoba	6 years of age.
Ontario	6 years of age.
Yukon	6 years of age.
New Brunswick	No policy exists. (Single mothers are not required to find work).
Newfoundland	No policy exists. (Single mothers are not required to find work).
Saskatchewan	Not specified. (Parenting responsibilities are a deciding factor).

\*\* In British Columbia, single mothers are not required to work when their children are younger than 3. However, women may only receive income assistance for a maximum of two years.

### **Growing Number of Lone Parents:**

There were over 1 million female-headed lone-parent families in Canada in 2001, an increase of 13% since 1996. The current figure is also 35% higher than in 1991 and close to double the number in 1981.

In 2001, 23% of all families with children in Nova Scotia were lone-parent units headed by women. This is the highest percentage in all the provinces and territories except the Yukon (at 24%).

Between 1981 and 2001 the number of lone-parent families increased from 26,155 to 44,135.

**Source:** Statistics Canada (2006) Women in Canada 2005. Catalogue no. 89-503-XIE and \*National Council of Welfare (2005) Welfare Incomes 2004. Minister of Public Works & Government Services Canada, Ottawa and the 2001 Statistics Canada Census. (available at <http://www12.statcan.ca/english/census01/home/index.cfm>)

### **Secured Employment of ESIA Recipients:**

In 204-2005, 28% of Income Assistance recipients involved in Employment Support Services secured full or part-time employment.

The Department of Community Services acknowledges the multiple barriers to employment that exist for those individuals that remain on the caseload. Barriers noted by the Department include changing family circumstance and educational/training gaps. The Department has stated that clients in this situation require time and support to make a successful transition into the labour force and that 64% of clients have not completed high school.

**Source:** (2006) DCS Accountability Report, 2004/2005. ([gov.ns.ca/coms](http://gov.ns.ca/coms))

### **Child Care:**

The lack of accessible, affordable and quality childcare is a primary barrier to obtaining employment for women on income assistance as there are simply not enough day care spaces.

- The total number of subsidized child care spaces as of 2005 in Nova Scotia was 2,880 (**Source:** Department of Community Services, 2005).
- There are enough regulated child care spaces for 9.6% of Nova Scotia Children aged 0-12. (**Source** Child Care Canada, [www.childcarecanada.org](http://www.childcarecanada.org)).

### **Paid Work, Education and Training:**

Women in Ontario have the highest incomes in the country while women in the Atlantic provinces have the lowest. In 2003, the average income of women in Nova Scotia was \$21,500.

In 2004, 75% of women with a university degree and 69% of those with a certificate or diploma from a community college were part of the paid workforce compared with 60% of high school graduates, 37% of women who had attended but not completed high school and just 16% of those who had not gone beyond Grade 8.

In all provinces, women are less likely to be employed than men. The situation is worse for rural women. Rural women are less likely to be employed in the labour market compared to rural men and urban women.

Women with pre-school aged children are less likely than those with school aged children to be employed. Overall in 2004, 67% of women with children under age 6 were employed compared with 77% of those whose youngest child was aged 6-15.

**Sources:** Statistics Canada (February 2003) Rural and Small Town Canada Analysis Bulletin, Vol. 4 No. 3. and Statistics Canada (2006) Women in Canada 2005. Catalogue no. 89-503-XIE.

### **The Conflict of Paid and Non-Paid Employment:**

The employment of female lone parents is very much influenced by the presence of children. In non-family centered work environments women are not able to afford the loss in pay, or the loss of a job that may result from tending to necessary and immediate family priorities.

Employed women are far more likely than their male counterparts to lose time from their jobs because of family or personal responsibilities (such as a child's illness or doctors appointment). Overall, female employees lost an average of 10 days a year for these reasons while employed men lost about a day and a half.

Women are far more likely to work part-time because of child care or other personal family responsibilities. In 2004, a total of 18% of employed women said they worked part time either because of child care or other personal or family responsibilities compared with only 2% of males who worked part-time.

**Source:** Statistics Canada (2006) Women in Canada 2005. Catalogue no. 89-503-XIE.