



Prince Edward Island Poverty Progress Profile

OVERVIEW

In May 2012, the Prince Edward Island government announced the development of a poverty action plan (PAP) called the *Social Action Plan to Reduce Poverty*,¹ which is now being implemented in the province. The PAP is a government initiative meant to reflect a commitment to protect low-income Islanders.² The government and a number of community partners are working collaboratively to implement the PAP. The plan strengthens and expands a number of social programs such as healthcare and education,³ alongside millions invested annually by the provincial government in programs that aim to reduce or prevent poverty and support social inclusion.⁴ It has been noted that there has been progress in reducing the incidence and depth of poverty in Prince Edward Island.⁵

Plan Components and Highlights

The PAP raises a number of areas for revision and investment in order to better meet Islanders' needs and reduce poverty. These include such as housing, early learning and education and supports for persons with disabilities. However, there is a lack of clear timelines and targets in the plan.

The provincial government intends to monitor the PAP in two ways. First, by continuing to monitor all of the plan's achievements. Second, by identifying measures and indicators of social well being in Prince Edward Island.⁶ Various measures will be used to observe progress in social well being in the province, including the provincial social assistance caseload, labour force participation rate and life expectancy rate.⁷ The PAP is intended to be flexible and will be adjusted as necessary.⁸

The PAP has three main goals:

1. Support people to move out of poverty by strengthening their educational and economic opportunities and their participation in the labour force;
2. Protect and enhance the standard of living and quality of life for those unable to participate in the labour force for whatever reason; and
3. Provide fair and equitable opportunities for Islanders to participate in and contribute to the cultural, economic and social environment of Prince Edward Island.⁹

To achieve the goals that PAP is centered around, Islanders asked government to place priority on the following areas:¹⁰

1. Increase access to affordable housing
2. Improve the Social Assistance Program
3. Continue to enhance services for persons with disabilities and apply to disability lens to program planning
4. Continue enhancement to early learning
5. Improve literacy and support adult learning

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6. Continue index increases to minimum wage
7. Change tax policies to assist low-income Islanders
8. Improve access to needed prescription medications
9. Strengthen mental health and addiction services
10. Enhance family supports in such areas as justice services

Community Engagement in Plan Development and Implementation

In order to have a clear direction for poverty reduction in the province, the PAP was developed following consultation with a broad range of groups representing low and modest income individuals and families as well as persons with disabilities, business, labour, health, women, Aboriginal persons and newcomers.¹¹ The Social Action Plan Working Group met frequently to monitor progress, recommend changes and identify action items for the following year.¹²

MEASURING PROGRESS

Statistical Indicators of Poverty in Prince Edward Island (unofficial measurement tools)

	LICO¹³ Low Income Cut-off After-tax	LIM¹⁴ Low-Income Measurement	MBM¹⁵ Market Basket Measure	Food Bank Usage¹⁶	Welfare Recipients¹⁷
2000	12,000, 9.1%	21,000, 14.6%	20,000, 14.6%	-	8,400, 6.2%
2005	7,000, 5.5%	15,000, 11.2%	14,000, 10.2%	-	6,900, 5.0%
2009	7,000, 4.8%	17,000, 12.0%	12,000, 8.8%	2,706, 1.73%	4,813, 3.4%
2010	5,000, 3.9%	21,000, 14.8%	17,000, 11.7%	3,068, 2.17%	5,758, 3.9%
2011	6,000, 4.4%	21,000, 15%	19,000, 13%	3,095, 2.16%	6,901, 4.8%
2012	-	-	-	3,406, 2.33%	-

* – data not available

Progress to Date

In addition to protecting and building on existing social programs, the provincial government has made a commitment to ensure that there are no reductions in departmental funding for the next three years.¹⁸ As well, the government invests more than \$100 million in poverty reduction and social inclusion programs each year.¹⁹ As the government moves to balance the budget and freeze funding reductions over the next three years, \$4 million in new investments will be made to further poverty reduction in the province.²⁰

There are a number of new initiatives to be implemented in pursuit of the PAP's goals. There has already been progress in a few areas, including the provision of rent supplements to low-income families and individuals and the establishment of a new Early Years Centre. However, further work is planned, including:

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- 40 additional rent supplements through a new investment of \$800,000;
- New grants of up to \$5 000 to help families renovate their homes, enabling them to keep aging family members at home longer;
- A new Early Years Centre;
- A \$500 increase in the Seniors Home Repair program grant;
- HST exemptions and rebates for low and modest income families;
- Lower drug costs through new generic drug programs; and
- An expert review of Mental Health and Addictions services.²¹

A 2013 progress report by the provincial government outlines specific achievements thus far and plans for the 2013-14 year in six main areas: housing, income support, early learning and education, employment supports and services, health and family supports.²²

Views from Outside the PEI Government

Though the PEI Advisory Council on the Status of Women has acknowledged that a gender and diversity analysis contributed to informing the direction of the PAP,²³ the council also has a number of criticisms about the PAP's development and substance. Notably, according to the council, there is little evidence that the consultations during the PAP's development were meaningful.²⁴ The council has also asserted that the PAP lacks substance and re-announces past spending.²⁵ In the council's view, other deficiencies include insufficient action proposals to move people out of poverty²⁶ and apparent limited understanding about how to reduce poverty, improve social inclusion and support dignified living for all Islanders.²⁷

As well, the council has stated that where impoverished women and their families are concerned, there is a lack of specific targets, timelines and comprehensive vision in the PAP as well as a lack of cross-departmental buy-in to contribute to its success.²⁸ Other organizations have also expressed concerns that the general lack of targets is problematic when other provinces have included specifics in their poverty reduction strategies.²⁹

The PAP has also been criticized for the lack of a clear human rights framework. According to the P.E.I. Working Group for a Livable Income, addressing poverty in the province has relied too heavily on charity and "Band-Aid solutions" rather than focusing on policy and social justice.³⁰ Eliminating poverty, they say, will help to improve social justice in the province and uphold Islanders' human rights.³¹

Notes on Critical Thematic Areas

- 1. Human Rights:** The discussion paper released in July 2011 references international covenants, treaties, and the provincial Human Rights Act as mechanisms that offer protection for individual rights. No explicit recommendation has been made to incorporate a human rights framework in a poverty strategy.³²

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- 2. Income Support:** While welfare incomes for families with children have been fairly consistent, there has been a downward trend over the last 25 years for single employable persons and persons with disabilities in the province.³³ The Community Services & Seniors budget increased by \$4.4 million this spring, including a commitment to increase social assistance rates – but according to the Equality Report Card 2013, not enough to keep pace with rent hikes and other cost increases. Social assistance recipients remain unable to meet their basic needs.³⁴
- 3. Housing:** The 2013 rental vacancy rate in Prince Edward Island is 7.8 percent, an increase of three percent from the previous year.³⁵ In 2012, PEI received \$4 million to build a new 34-unit development for seniors and nearly \$300 000 for a 13-unit development for seniors and persons with disabilities through Canada’s Economic Action Plan.³⁶ Although housing prices are lower than many other provinces and regions, the average rental price for a two-bedroom apartment in Charlottetown in 2013 is \$831, a 1.2 percent increase from the previous year.³⁷ There has been progress related to the availability and affordability of housing in the first year of the PAP’s implementation. Six individuals reside in new supportive housing units in Alberton and \$50 000 was contributed to Habitat for Humanity to provide for the building of two homes.³⁸ To assist Islanders in affording housing, 20 families and individuals received rent supplements through Housing Services.³⁹ Such initiatives are much-needed in the province. For instance, recent reports indicate that the province’s affordable housing wait-list for seniors has doubled in the past five years.⁴⁰ In spring 2013, there were 725 seniors listed.⁴¹ The establishment of the Salvation Army Emergency Home Heating Program also subsidized costs as it enabled 270 families to benefit from a \$120 000 fund to assist with heating expenses.⁴²
- 4. Education:** The provincial 2013-2014 budget presents a substantial increase in spending for education. There has been a \$1.6 million increase from the previous year, amounting to a total budget of \$230.9 million.⁴³ The province consistently has one of the best teacher-student ratios in Canada with 12.49 students per teacher in 2013-2014.⁴⁴ Literacy rates have been improving in the past three years as demonstrated by the 87 percent of primary students who have met or exceeded expectations in reading.⁴⁵ Fewer high school students are dropping out of school. From 1990-1993, the average dropout rate in the province was 18.9 percent, but it decreased to an average of 8.1 percent in 2009-2012.⁴⁶ The provincial government has maintained that its top priority is to invest in youth. As such, the government has committed to spending a further \$58.8 million on school renovation and construction with plans to begin construction of a new trades school, which is scheduled to be completed at the end of 2013.⁴⁷
- 5. Early Childhood Education and Care:** Children in the province have benefited from investments in this area through the opening of a new Early Years Centre, the literacy action plans in the centres province-wide, staff with higher training and qualifications and improved subsidies for child care.⁴⁸ In 2012, wages were increased for early childhood educators.⁴⁹ Prince Edward Island ranks among the best in early childhood relative to other Canadian provinces. According to a recently developed Early Childhood Index, Prince Edward Island ranked second behind Quebec, with 9.5 out of 15 points for its universal childcare.⁵⁰ The index ranks provinces based on the governance, funding, access, learning

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environment and accountability of early childhood education. Despite the high ranking, the province-wide fees, which include \$32 per day for infants, \$26 for toddlers and \$25 for preschool children,⁵¹ are problematic for low-income earners. The provincial childcare subsidy program covers all or a portion of the fees for eligible families.⁵² Still, recent reports show positive results in quality and access to early childhood programs in the province.⁵³ Investments in early learning has allowed for the development of an Early Learning Framework curriculum for the Early Years Centres and full-day kindergarten programs.⁵⁴

6. Health Care: New initiatives in Prince Edward Island will increase access to medication. Provincial pharmacy programs have achieved this by instituting the *Drug Product and Interchangeability and Pricing Act*.⁵⁵ The Act reduces the amount that the province pays for generic drugs and expands the list of medicines included, which enables Islanders to benefit from reduced costs for medication.⁵⁶ A medication review service has been established so pharmacists can ensure the maximum benefits of prescription medication for diabetic seniors and persons with disabilities who are registered with the Provincial Pharmacare Program.⁵⁷ There are some accountability measures for healthcare in the province in response to the PAP. For instance, a comprehensive report about the Mental Health and Addiction services consultative process has been completed.⁵⁸

7. Employment Support: Since June 2012, Employment Support Services (ESS) in the province has helped over 500 Islanders on social assistance to connect to employment services within their communities.⁵⁹ ESS is a partnership between Community Services and Seniors, Skills PEI and Rural Development.⁶⁰ As a result, about 250 clients received support that enabled them to secure employment, 90 clients secured employment through the Job Creation Program, and 44 Islanders were employed through Skills PEI.⁶¹ The province is also contributing funding to a project called Women Moving On, which is intended to assist low-income women gain skills and knowledge that will help them overcome challenges in accessing employment and improve their economic security.⁶² Another significant development is an increase in the province's minimum wage to \$10 per hour.⁶³ However, as of January 2013, Prince Edward Island had the highest unemployment rate in Canada at 11.8%.⁶⁴

THE BOTTOM LINE

While there has been traction in reducing the rate and depth of poverty in Prince Edward Island, more progress is required in some areas, such as employment support. It has been noted that it makes financial sense to eliminate poverty in Prince Edward Island. The direct cost of poverty for the provincial government is almost \$100 million per year, while the indirect cost is up to \$220 million a year – totalling about \$315 million annually.⁶⁵ A significant portion of these costs is the result of public health care and acute hospitalizations that could have been prevented.⁶⁶ As well, a number of critiques have been raised that bring the actual accountability and overall effectiveness of the PAP into question. However, in response to issue concerning a lack of targets and timelines, Community Services Minister Valerie Docherty said the PAP would be a subject of criticism, but it remains an important start in

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reducing poverty in the province.⁶⁷ It remains to be seen whether feedback from external organizations will inform the direction and structure of the PAP in the final two years of initial implementation.

FOR MORE INFORMATION

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ENDNOTES

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