

earnings and income taxes that would be generated if people in the lowest income quintile earned the same amount as the second lowest income quintile in Nova Scotia. The social component is the income tax paid on these earnings, and the private benefit is the after-tax income.

Getting at the Roots

This report highlights the need to invest in the root causes of poverty and preventative measures. In order to achieve the savings in health care costs that means investing more in illness prevention and health promotion focused on the social determinants of health including income and social status; social support networks; education and literacy; employment and working conditions; healthy child development; gender; and culture.

The report also points to the need to focus on effective literacy programs and improving education outcomes as critical to crime prevention. Currently, significantly more government money goes toward policing and incarceration or punishment-related expenses than to crime prevention. Crime prevention policies and programs must consider the links between social exclusion, poverty, racism, and crime.

The importance of poverty prevention does not diminish the importance of improving service delivery and de-stigmatizing poverty alleviation (i.e. social

assistance programs), by either significantly reforming or replacing programs, as they exist today. When poverty is understood to be about social exclusion as well as economic exclusion, and when structural and institutional barriers in the labour market are taken into account, it becomes clear that earned income is not the only element of poverty that must be addressed. Racism and other forms of discrimination (based on religion, sex, gender identity, and disabilities, for example) have detrimental economic and social consequences. Systemic discrimination limits opportunities and places some groups at greater risk of social exclusion and poverty.

Action must address the root causes of poverty. All Nova Scotians need - and all Nova Scotians benefit from - accessible, affordable housing, early childhood education programs, and public transportation, as well as public education tailored to the diverse needs of our students. We need public policy interventions for specific at-risk groups including accessible literacy training and recognition of prior qualifications for recent immigrants. Clearly, money spent on reducing poverty is an investment in all of our futures.

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Economic Cost of Poverty in Nova Scotia, 2008 (thousands of dollars)

	Low Range of Estimate		Upper Range of Estimate	
	Private	Social	Private	Social
-Health Costs		241,130		241,130
-Crime Costs		30,000		60,000
-Intergenerational costs	92,792	13,448	162,386	23,533
-Productivity losses	930,145	134,798	1,398,707	202,703
-Adjustment for government transfers replaced by market income		84,500		124,700
Totals:	1,022,937	503,876	1,561,093	652,066
Total Private and Social Costs	\$1.5 billion		\$2.2 billion	



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