

## **Submission to the Standing Committee on Finance 2014 Pre-Budget Consultations**

### **Towards a Gender Responsive Budget in 2015**

Budgets are gender sensitive; they can either help improve women's equality or exacerbate inequality. Creating budgets that are sensitive and responsive to gender differences not only facilitates progress towards women's equality, they can also help improve government effectiveness, efficiency, accountability, fairness and transparency.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Beijing Platform for Action (PFA) both call for the, "integration of a gender perspective in budgetary decisions on policies and programmes, as well as the adequate financing of specific programmes for securing equality between women and men" (PFA 345).<sup>i</sup>

The danger of failing to consider gender when creating budgets can be seen in a recent analysis estimating that men have been the major beneficiaries of the over \$168 billion dollars in stimulus funding spent in Canada since 2008 on infrastructure projects, cuts to the GST rate, corporate tax cuts and benefits, personal income tax cuts, and changes to Employment Insurance.<sup>ii</sup> This analysis clearly demonstrates the need to revisit the 2008 recommendations from the Status of Women Committee report, *Towards Gender Responsive Budgeting: Rising to the Challenge of Achieving Gender Equality*.<sup>iii</sup>

In this submission CFUW highlights the need to invest in women's economic and personal security. CFUW also encourages the Finance Committee to consider how recommendations presented through these pre-consultation submissions will impact women and men differently.

### **Support Women's Economic Prosperity and Equality to Grow our Economy**

The OECD has stated that women's participation in paid work has played a key role in Canada's per capita real income growth over the last decade.<sup>iv</sup> Yet employment gaps still exist; fewer women are employed than men, and women are more likely to be employed in part-time, precarious positions. In a recent analysis of developed countries, it was concluded that closing the gap between women's and men's share of employment could increase GDP by between 9% and 16% over the next two decades.<sup>v</sup>

### *Invest in Women's Education and Employment/Pay Equity*

With 70% of new jobs requiring a university or college degree today<sup>vi</sup>, education has significant potential to improve the economic prosperity of women. For example, in 2008 women with university degrees who were working full-time, full-year earned on average \$26,400 more annually than women with some post-secondary training, and \$27,400 more than women with only high school education.<sup>vii</sup> Women with higher levels of education are also more likely to be employed, that is 74.7 per cent of women university graduates are employed, compared to, 56.2 per cent with high school diplomas.<sup>viii</sup>

Despite more women attaining higher levels of education, a pay gap remains for women university, college and high school graduates alike. Irrespective of educational attainment women working full-time, year round continue to earn on average 28.7 per cent less than men.<sup>ix</sup> Part of the pay gap can be explained by women's under-represented in some of the most lucrative and in-demand jobs, such as in the skilled trades, technology, engineering, and scientific fields. For instance, according to the Ontario Graduate Survey, in 2010, computer science and engineering graduates, both of which are male dominated fields, earned average salaries of \$63,044 and \$61,884 two years after graduating. In comparison, the average salary for new social sciences graduates, the majority of which are women, was just \$42,585.<sup>x</sup>

In the top-five most populated trades as of 2012, women accounted for only 2.7% of those who have completed registered apprenticeships as electricians, plumbers, carpenters, welders and in automotive services.<sup>xi</sup> Women remain concentrated in traditionally female dominated trades such as hairstylists and estheticians, where they represent 91.5% of completed apprenticeships.<sup>xii</sup>

There is a need to develop specific plans to recruit and retain more women in under-represented fields, by inter alia addressing the barriers they face, such as discrimination in the workplace, lack of flexible working arrangements, and sexual harassment.<sup>xiii</sup>

### **Recommendations**

**CFUW urges the Government of Canada to allocate resources to:**

- 1. Develop a national post-secondary education strategy or act in collaboration with provinces and territories that ensures greater coordination and affordability;**
- 2. Work with provincial and territorial governments, and business, labour, and industry associations to develop a national strategy to promote the recruitment and retention of women in skilled trades and other occupations where women are underrepresented;**
- 3. Continuing to support women's enterprise development; and**
- 4. Implementing the 2004 pay equity task force recommendations**

### *Child Care Helps Stimulate Women's Economic Participation and the Economy*

Quebec's universal child care program has proven to be an economic stimulus that supports the workforce participation of mothers, especially single mothers, which in turn increases their incomes and Canada's GDP. Twenty years after Quebec's child care program was introduced in 1996, 70,000 more mothers had entered the workforce, adding \$5.1 billion to Quebec's gross provincial income. During the same period, the number of female lone parents on social assistance decreased from 99,000 to 45,000. Their real, after-tax median income also increased by 81 per cent.<sup>xiv</sup>

Quebec's experience also confirms the findings of cross-country studies conducted by the OECD and others, which have found that subsidized child care helps boost women's participation in the work force. However, among industrialized countries, Canada has one of the lowest child care access rates and invests significantly less in child care. Enrolment of children under age six in childcare, at 40 per cent, also lags behind OECD standards.<sup>xv</sup>

## **Recommendations**

### **CFUW urges the Government of Canada to allocate funds to:**

- 1. Adequately finance a national affordable and quality child care system in collaboration with provinces and territories. Accomplish this in part, by redirecting the \$2.5 billion spent annually on the Universal Child Care Benefit.**

### *Move Women out of Poverty and into Prosperity*

In 2011, 8.8 per cent of the population was living below the Low Income Cut-Offs After Tax (LICO – AT). However, the rates of poverty are significantly higher for unattached women, at 36%, and for female lone-parents at 23%. The incidence of poverty for both groups of women has increased since 2009.<sup>xvi</sup> Women who are Aboriginal, racialized, and living with disabilities are disproportionately affected, with poverty rates estimated to be as high as 36%, 28% and 26% respectively. Women are also more likely than men to experience persistent poverty (i.e. for 4 to 6 years or more).<sup>xvii</sup>

Social assistance, while essential, is hardly a means of escaping poverty, with rates across the country between 20-76 percent below the LICO-AT.<sup>xviii</sup> Consequently, women, both on social assistance or working in low wage and/or part-time jobs, may struggle to cover the costs of essential needs, such as housing and food.

While some federal measures have helped improve the economic well-being of low income women, particularly the Canada Child Tax Benefit (CBBT) for single mothers, and the Guaranteed Income Support (GIS) for elderly women, far too many women continue to live in poverty and struggle to find and/or keep affordable housing.

## Recommendations

**CFUW recommends allocating funds to work with provinces, territories and municipalities to develop and implement:**

- 1. A national poverty reduction strategy and a national housing strategy, using Gender-Based Analysis; and**
- 2. A basic income program for Canada**

## End Violence against Women

One in 3 women in Canada will experience some form of gender-based violence in their lifetime. Statistics Canada and others have estimated the cost of intimate partner violence and sexual violence at \$7.4<sup>xxix</sup> and \$1.9 billion<sup>xx</sup> respectively, including the costs of social services, healthcare, the justice system, and lost productivity.

The federal government's current response to violence against women relies predominately on the criminal justice system and short-term funding for community-based projects through Status of Women Canada and other departments. At the provincial and territorial levels, a number of action plans related to specific forms of gender-based violence exist. However, a recent report issued by the Canadian Network of Women's Shelters and Transition Houses demonstrates that Canada could be doing more, finding that many of the current policies, legislation, and plans across Canada lack effective coordination, conflict with one another, and/or have unintended negative consequences.<sup>xxi</sup>

## Recommendations

**CFUW urges the Government of Canada to provide sufficient funding to implement a comprehensive, national, coordinated, multi-sector action plan on violence against women and girls, working in collaboration with provinces/territories, and stakeholders.**

## Reconsider Income Splitting

CFUW also urges the government to reconsider its pledge to allow income splitting for couples with children under 18 years of age. Economists who have studied the impact of income splitting argue that it is a regressive tax measure, with the vast majority of the benefit going to the highest income earners.<sup>xxii</sup> Furthermore, the proposed measure will do little to make the taxation system more equitable, given the complex web of tax deductions and benefits that are currently in place,<sup>xxiii</sup> and would not benefit unattached women such as lone-parent families, who have some of the highest rates of poverty.

Instead of supporting a limited number of families and children with the benefit of income splitting, CFUW urges the Government of Canada to implement the recommendations in this submission.

## About CFUW

CFUW is a non-partisan, voluntary, self-funded organization with over 100 CFUW Clubs, located in every province across Canada. Since its founding in 1919, CFUW has worked to improve the status of women, and to promote human rights, public education, social justice, and peace.

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