



**Building a Canada for the Future:
Budgeting for the Lives of Women Today**
Pre-Budget Submission to the House Standing Committee on Finance
YWCA Canada
August 5, 2014

Executive Summary

Women make up the majority of Canada's population, and are essentially an equal portion of the workforce. Ensuring prosperous and secure communities requires building a Canada that works for women, one that is based on women's present-day lived realities. These include high workforce participation rates for women across all ages, and especially of mothers with young children, women comprising the majority of university graduates and women continuing to provide the majority of child care. Women are central to the nation's prosperity, productivity and economic growth. An economic policy that fails to recognize this will fail to provide Canada with sustainable long-term economic growth.

Policies for Attaining Fiscal Sustainability & Building Economic Growth

- **A National Child Care System**

The prosperity of the nation is intimately tied to the labour force participation of our educated, skilled female workforce. Barring a major shift of men into child-rearing, nationwide access to early learning and child care services is increasingly essential to the nation's future economic prosperity.

- **Gender Budget Analysis**

Gender-budget analysis should be incorporated in the development of Budget 2015 from the outset, as a fundamental step in the budget process.

Policies to Support Vulnerable Women and Families

- **National Leadership on Violence Against Women**

The federal government needs to lead policy coordination on violence against women at all three levels of government by establishing federal-provincial-municipal tables with input from the violence support service sector and other relevant sectors. This must include closing service gaps and significant investments.

- **Address Women's Homelessness**

Almost half of the 210,000 people estimated to be homeless in Canada are women, and 40% of women leaving Canada's emergency shelters for abused women don't know where they will live. The shift of Homelessness Partnering Secretariat funding to the Housing First Model needs to be accompanied by a gender-based analysis and resulting strategy to ensure it is adapted to fit women's homelessness.

Policies to Improve Tax and Regulatory Regimes

- **Income Splitting Spends Tax Dollars on High Income Earners**

YWCA Canada urges the federal government not to adopt income splitting in federal budget 2015. Income splitting for families with children would cost the federal government \$3.0 billion a year in lost revenue and 86% of Canadian families would receive no benefit.

- **Address Poverty: Increase the National Child Benefit, Absorb the Universal Child Benefit**

The federal government should streamline tax system supports for families by eliminating the Universal Child Benefit and absorbing it into a National Child Benefit (NCB) of \$5,400 per year. This would also eliminate multiple layers of red tape and expense.

Building a Canada for the Future: Budgeting for the Lives of Women Today

Policies for Attaining Fiscal Sustainability & Building Economic Growth

Women make up the majority of Canada's population, and are essentially an equal portion of the workforce. Young women today graduate from universities and colleges at greater rates than young men, and are highly skilled professionals in the labour force. Ensuring prosperous and secure communities requires building a Canada that works for women, based on women's present-day lived realities. Those realities include:

- A 64.4% employment rate of women with infants and toddlers (youngest child under 3)
- Two thirds of mothers with a youngest child in pre-school or kindergarten in the work force in 2009.¹
- 60% of young university graduates are women and women surpass men as numbers of graduates in many professional training programs.²
- Women retain the majority of responsibility for child care.

- **A National Child Care System**

The prosperity of the nation is intimately tied to the labour force participation of an educated, skilled workforce that has become increasingly female. Barring a major shift of men into child-rearing, nationwide access to early learning and child care services becomes increasingly essential to the nation's future economic prosperity.

Improving access to affordable child care has a positive impact on revenues collected, and generates financial profits for government. Quebec's investment in low-cost child care generates \$104 for that provincial government for every \$100 invested, and \$43 for the federal government without any federal investment in the program. Child care is a revenue positive program.

GDP reacts in proportion to the increase in the number of people employed. If employment grows 2%, then GDP will grow 2%. Quebec experienced 69,700 additional mothers at work with the introduction of low-cost child care programs; GDP rose \$5.1 billion (1.7%). Growth in GDP could also be expected nationally. Predictable access to affordable child care could increase Canada's birth rate and go some way to addressing the general aging of the population.

- **Gender Budget Analysis**

Gender-based analysis of spending assesses the impact of policies and budgets based on gender, identifies gender bias in government spending and permits correction for bias of policies assumed or intended to be gender neutral. Also known as gender budget analysis, this tool is in use world-wide and analyzes the "gender impacts of budget processes and macroeconomic policies."³ Gender-budget analysis should be incorporated in the development of Budget 2015 from the outset, as a fundamental step in the budget process.

Policies to Support Vulnerable Women and Families

- **National Leadership on Violence Against Women**

As the country's largest single provider of shelter to women facing violence, YWCA Canada urges the federal government to lead policy coordination on violence against women at all three levels of government by establishing up federal-provincial-municipal tables with input from the violence support service sector and other relevant sectors (such as public health). This must include closing service gaps as well as significant investments.

Domestic violence costs Canada \$7.4 billion per year including direct costs of \$1.9 billion. Sexual assaults add \$546 million annually in direct costs, and \$1.9 billion in total - a combined annual cost \$334 per Canadian. In 2011-12 the federal government spent \$79.9 million on violence programs and services; \$2.77 per person or .82% of the cost. Effective investments would reduce prevalence, impacts, and multi-billion dollar costs.⁴

The benefits of national leadership and effective investments in addressing violence against women would accrue to the estimated one in four women in Canada who will experience intimate partner violence in her lifetime (WHO, 2013). The 75,000-100,000 women and children who leave home for a shelter for abused women each year would also benefit, as would homeless teenage girls, as a majority leave to escape sexual abuse. With the prevalence of violence in northern communities, women, children and communities across northern Canada would benefit dramatically from national leadership.

YWCA Canada welcomed the federal government's 2011 Throne Speech commitment to "address the problem of violence against women and girls." We continue to wait for fulfilment of this promise.

- **Address Women's Homelessness**

Of 210,000 people estimated to be homeless in Canada, almost half of them – 103,000 – are women. Violence and poverty are the major drivers of women's homelessness. Four out of 10 women leaving Canada's emergency shelters for women fleeing violence do not know where they will live. Women's homelessness tends not to be visible, the streets are not safe for women and women hide their homelessness. The wholesale shift of Homelessness Partnering Secretariat funding to the Housing First Model needs to be accompanied by a gender-based analysis and resulting strategy to ensure it is adapted to fit women's homelessness.⁵

In addition, the housing crisis in all three northern territories profoundly impacts women with children who are trying to escape violence. Housing in the three northern territories has been seriously disadvantaged by the lack of federal social housing funding.⁶ The federal government needs to return to stimulating the creation of affordable housing.

- **Affordable Child Care Supports Single Mothers**

As noted above, women's educational attainment and labour force participation point directly to the need for federal attention to affordable child care services. In addition, Quebec's low-cost, broad-based child care confirms that universal child care is a social policy that effectively addresses poverty for sole parent women leading families by dramatically increasing their access to employment. In Quebec, between the introduction of child care as a social policy in 1996 and 2008, employment rates for mothers with children under the age of six increased 22%, the number of single mothers on social assistance was reduced by more than half (55%), and their after-tax median income rose by 81%.⁷

Lack of affordable child care throughout a large part of Canada constitutes the biggest barrier to women's participation in the workforce, particularly if they are sole parents. Access to low-cost affordable child care will increase women's participation in the work force, reduce dependence on social assistance and increase GDP, in addition to improving the life opportunities of children.

Policies to Improve Tax and Regulatory Regimes: Income Support, not Income Splitting

- **Income Splitting Spends Tax Dollars on High Income Earners**

YWCA Canada urges the federal government not to adopt income splitting in federal budget 2015, or at any time in the future. Income splitting for families with children under 18 years old, with a maximum of \$50,000 transferred between spouses would cost the federal government \$3.0 billion a year in lost revenue and provincial governments as much as \$1.9 billion a year. Benefits will accrue overwhelmingly to richer Canadian families, and 86% of Canadian families would

receive no benefit from income splitting.⁸ Clearly, income splitting is not a policy that builds a Canada based on the realities of women's lives in Canada today.

- **Address Poverty: Increase the National Child Benefit, Absorb the Universal Child Benefit**

Poverty costs Canada \$72-\$86 billion per year and heavily impacts children's day to day lives and potential life outcomes. It increases health care costs, spending on social support services and lost productivity while limiting personal opportunities. Growing up in poverty compromises dignity, mental health, well-being and life chances. Canada's economy would gain stability from greater social equality and lower levels of poverty. Eradicating poverty is integral to economic stewardship, improving social cohesion and enhancing social justice.

The federal government should streamline tax system supports for families into a single larger National Child Benefit (NCB) that would substantially reduce poverty. The Universal Child Benefit should be eliminated as a separate payment and absorbed into the NCB. Resources now directed to the regressive Child Tax and Child Fitness Tax Credits should be redirected to the NCB. A simulation model estimates that with these adjustments, the additional cost of raising the maximum NCB to \$5,400 would be reduced to \$174 million annually.⁹

The benefits of this change would flow directly to low income children and families. Streamlining current family and child tax credits into a single one, dispersed on a sliding scale based on income to a maximum of \$5,400 per year, would positively impact the families of 174,000 children. Coupled with full-time work at \$11/hour, the enhanced benefit would enable a single parent with one child to move out of poverty. It would also eliminate multiple layers of administration which increase red tape and expense.

Building a Canada that Works for Women

Women are key to Canada's economic prosperity today and will only become more critical in the future. As women continue to assume a greater share of the tax burden, the federal government needs to adapt policies to the realities of women's lives today. Adoption of gender budget analysis is essential to providing policies that build Canada's economy and to fostering a safe country where women are not subject to violence in the family home or on the streets of their communities. A prosperous future for our country requires ensuring Canada's women have full access to the workforce and exercise of all constitutional rights.

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About YWCA Canada:

YWCA Canada is the country's oldest and largest women's multi-service organization, with 32 Member Associations across the country serving women and girls in nine provinces and two territories. For more information visit www.ywcacanada.ca, find us on Twitter [@YWCA_Canada](https://twitter.com/YWCA_Canada) or at www.facebook.com/ywcacanada.

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- ² M. Frenette & K. Zeman, *Why are the majority of university students women?* Statistics Canada, December 2008, <http://www.statcan.gc.ca/pub/81-004-x/2008001/article/10561-eng.htm>
- ³ Isabella Bakker, "Gender Budget Initiatives and Why they Matter in Canada", *Alternative Federal Budget 2006*, Canadian Centre for Policy Alternatives, 2006.
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- ⁵ Janet Mosher & Homes for Women, *Housing First, Women Second?*, YWCA Canada, 2013.
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- ⁸ David MacDonald, *Income Splitting in Canada: Inequality by Design*, Canadian Centre for Policy Alternatives, January 2014.
- ⁹ Campaign 2000, *National Report Card on Child Poverty*, 2012.