



BRIEF TO THE STANDING COMMITTEE ON FINANCE Budget 2012 Consultations

EXECUTIVE SUMMARY

The Canadian Federation of University Women (CFUW) recommends that the Government of Canada adopt fiscal strategies that will establish an even playing field for women, and a fair, inclusive, and prosperous economy. CFUW further recommends that the Government of Canada address the root causes of poverty, utilize gendered analysis in policy and budget creation, and take action through budget spending to address women's economic inequality and speak to their economic realities.

Introduction

Founded in 1919, CFUW is a non-partisan, equality-seeking, self-funded organization of close to 10,000 graduate women and students in 112 Clubs across Canada. CFUW serves on the Education Committee of the Canadian Commission to UNESCO. CFUW is affiliated with the International Federation of University Women (IFUW), headquartered in Geneva with affiliates in over 60 countries. Both organizations have special consultative status at the United Nations Economic and Social Council.

Background

CFUW urges the Government of Canada to remove systemic barriers to women's equal participation in the economy. In Canada:

- More than 30 percent of Aboriginal women (off reserve) live in households with incomes below the Low Income Cut Off.¹
- Many rural women have limited access to programs and services.
- Single mothers experience a higher incidence of low income at 21 percent, compared with 7 percent for those living in male-headed lone-parent families.²
- Senior women are twice as likely to be impoverished as senior men.³ In 2003, well over half (55 percent) of the income of senior women in Canada came from government transfer programs.⁴
- Immigrant women are more likely to be unemployed, work in part-time positions, and earn low incomes than the general population. Many qualified immigrant and refugee women find it harder than their peers to break into the labour market. Twenty percent of immigrant girls and women live below Statistics Canada's LICO, compared with 10 percent of Canadian-born girls and women.⁵
- Students: New graduates, often with student debt burdens, cannot access employment insurance. Those with children are especially vulnerable.
- Nearly one child out of every six continues to live in poverty.
- In developing nations and fragile states women bear the brunt of economic hardship. CFUW calls on the Government of Canada to honour its commitments to Overseas Development Assistance (ODA) of 0.7 percent.

¹ O'Donnell, V., and Wallace, S. Women in Canada: A Gender Based Statistical Report – First Nations, Métis and Inuit Women. Statistics Canada. 2011, p.34.

² Williams, C. Women in Canada: A Gender Based Statistical Report – Economic Wellbeing. *Statistics Canada*. 2011, p. 21

³ Budget 2008: What's in it for women? 2008. Canadian Centre for Policy Alternatives.

⁴ Statistics Canada, Women in Canada: A Gender Based Statistical Report. 2005, p.138.

⁵ Chui, T., Women in Canada: A Gender Based Statistical Report – Immigrant Women. Statistics Canada. 2011, p.31

Close to 4 million people in Canada live below the Low Income Cut Off (after tax)⁶; of these 54 percent are women⁷. Persistent wage gaps, higher participation in part-time, contract and unpaid work make women more likely than men to be poor. Currently, 22 percent of women are in low-paid jobs compared to 12 percent of men.⁸ Close to 40 percent of all employed women work part-time compared to 10 percent of their male counterparts.⁹ Women perform two-thirds of unpaid work accounting for 30 to 45 percent of Canada's GDP.¹⁰

Recent federal budgets have emphasized cuts to taxes on personal and corporate earnings.. Tax credits, cuts to personal and corporate taxes do not address the needs¹¹ of the thirty-eight percent of women that earn too little to pay income tax.

Recommendations

1. Child Care

The Universal Child Care Benefit does not address the need for access to affordable and good quality childcare or increase the number of spaces. This especially affects women's access to the workforce and puts them at a higher risk of living in poverty.

Access to an affordable, not-for-profit, high quality, and national child care program is essential to the reduction of economic disparity. Governments at all levels must work together to put in place a funded and regulated, quality and inclusive child care system.

2. Affordable Housing

Lack of appropriate housing and homelessness in Canada has been called a "national emergency"¹². An estimated 250,000 persons are homeless. Another 1.5 million individuals cannot access satisfactory housing, or face a serious financial burden to keep their housing.¹³

CFUW calls on the federal, provincial, territorial and Aboriginal Governments to put in place a National Housing Strategy that provides affordable and safe housing to low income women and that addresses the housing crisis, curbs costs and helps lift lower income families from poverty.

Social housing programs are cost effective.

- Affordable housing costs \$5 000 - \$8 000 per year/per person.
- Emergency shelters cost \$13 000 - \$42 000, and
- Institutional responses (prison, detention centres and hospitals) cost taxpayers upwards of \$62 000 - \$120 000 per person/per year.¹⁴

3. Pension Reform

⁶ Statistics Canada 2008, Persons in low income, Table 202-0802

⁷ Ibid.

⁸ *The Daily*, Nov. 2, 2007, Statistics Canada.

⁹ *Women and the EI Program*, Canadian Centre for Policy Alternatives, 2007.

¹⁰ Zerbisias, A. (2010). Census change devalues women's unpaid work. Toronto Star, August 10, 2010.

<http://www.thestar.com/news/canada/census/article/845054--census-change-devalues-work-of-women>

¹¹ Budget 2008: What's in it for women? 2008. Canadian Centre for Policy Alternatives.

¹² United Nations

¹³ Canadian Mortgage and Housing Corporation, 2010.

¹⁴ Pomeroy, Steve. 2005. The Cost of Homelessness: Analysis of Alternate Responses in Four Canadian Cities. Prepared for the National Secretariat on Homelessness. Ottawa: Focus Consulting)

It is critical to address pension reform now as large numbers of Canadians reach retirement age. Proactive measures to reform pensions are essential to ensure that they do not face poverty in old age. Women are more often poor in old age than men. CFUW recommends that the Government of Canada:

- Increase CPP survivor benefits to 70 percent from 60 percent (June 2007 *Report of the Standing Committee on the Status of Women*) to provide greater income security for retired women;
- Extend the drop-out provisions to cover those who are caring for individuals with disabilities or the elderly; and
- Increase the Guaranteed Income Supplement so that combined benefits (Old Age Security and the CPP) equal the Low Income Cut-off (after tax) to eliminate old age poverty.

4. Pay Equity

CFUW again recommends that the Government of Canada implement the recommendations of the 2004 Pay Equity Task Force and address the current 71 percent wage disparity between women and men.¹⁵

5. Aboriginal Women

The average annual income for Aboriginal Women is \$13 300, compared with \$18 200 for men.¹⁶ High unemployment levels, social inequality and high levels of violence illustrate the need for government action.

CFUW recommends that the Government of Canada honour Crown commitments, develop and fund, in collaboration with aboriginal organizations, balanced, holistic solutions to discrepancies in living standards between aboriginal and non-aboriginal people in Canada and that it:

- Negotiate and resolve outstanding land claims;
- Develop a long-term plan to remedy the critical shortage of suitable affordable housing, including services infrastructure for Aboriginal Canadians, on and off reserve;
- Establish and implement a long-term plan to place the graduation rate of aboriginal Canadians from secondary and post-secondary education and skills-training at par with that of non-aboriginal individuals in Canada; and
- Increase the funding of aboriginal health-care systems and set specific targets to improve all aspects of aboriginal mental and physical health, including the reduction of infant mortality, malnutrition, diabetes, substance abuse and suicide.

In 2008 the United Nations (UN) Committee on the Elimination of Discrimination against Women (CEDAW) called on Canada to report within one year on its progress in implementing CEDAW's recommendation to "examine the reasons for the failure to investigate the cases of missing or murdered aboriginal women and to take the necessary steps to remedy the deficiencies in the system."¹⁷

CFUW calls on the Government of Canada to allocate funding to the Native Women's Association to continue the "Sisters in Spirit Initiative" and to develop a coordinated federal response to violence against Aboriginal women, led by Aboriginal communities and organizations, with sustained and sufficient multi-year funding.

6. Violence against Women

¹⁵ Williams, C. Women in Canada: Gender-Based Statistic Report – Economic Wellbeing. Statistics Canada. 2011, p. 32

¹⁶ O'Donnell, V., and Wallace, S. Women in Canada: A Gender Based Statistical Report – First Nations, Métis and Inuit Women. Statistics Canada. 2011, p.34

¹⁷ Amnesty International. 2009. Canada: Follow up to the concluding observations of the United Nations Committee on the Elimination of Discrimination against women.

Spousal violence¹⁸ is suffered by 61 percent of females and 32 percent of males.¹⁹ Almost four times as many women were killed by a current or former spouse as men.²⁰ Women are eight times more likely than men to experience violence in relationships, especially choking, threats with a weapon and sexual assault.

CFUW recommends that the Government of Canada increase funding to ensure adequate, sustained and multi-year funding to expand access to shelter and transition houses, emergency and second stage shelters, family resource centres, and safe home networks in rural areas. As women living in poverty are more vulnerable to domestic violence because of their economic insecurity, CFUW calls for a National Strategy for Poverty Elimination.

7. Post Secondary Education

Since the mid 1990's Government grants as a share of university operating revenue has dropped from 80 to nearly 50 percent. The share of university operating budgets funded by tuition fees rose from 14 percent to 34 percent between 1986 and 2007.²¹ Student debt levels have led to lower degree completion levels and fewer people studying beyond a bachelor's degree or college diploma.²² This downloading of costs puts Canada's student population at risk for economic instability and discourages lower income women and single mothers from pursuing higher education as a means to lift them from poverty.

CFUW recommends that the Government of Canada:

- i. Work with the provinces and territories to create effective debt relief programs for
 - a. Post-secondary students and reform the Student Loan Programs:
 - a) Offer more needs-based grants and low interest loans;
 - b) Revise loan limits to reflect the full cost of post-secondary education;
 - c) Offer payment and interest deferment programs for one year following graduation; and
 - d) Appoint an independent ombudsman to resolve disputes.
- ii. Restore the funding of the post-secondary sector to 0.5 percent of GDP and:
 - a) Limit interest rates for loans to the prime rate and
 - b) Expand interest relief programs.

8. Research and advocacy

CFUW urges the Government of Canada to increase funding for Status of Women Canada to \$2.1 billion²³ and to fund women's groups to do independent policy research and advocacy. Critical research and advocacy are important to the development of good social and economic policies that will reduce economic disparities.

9. The Employment Insurance Program (EI)

In 1996, about 70 percent of unemployed women could claim unemployment insurance. As a result of changes to eligibility criteria, only 23 percent are now able to claim benefits. The benefit rate has also

¹⁸ Ibid.

¹⁹ Statistics Canada, Canadian Centre for Justice Statistics, Homicide Survey. Family Violence in Canada: A Statistical Profile, 2009, <http://www.statcan.gc.ca/pub/85-224-x/2009000/part-partie5-eng.htm>

²⁰ Ibid.

²¹ Canadian Association of University Teachers. CAUT Almanac of Post-Secondary Education in Canada - 2009. Ottawa, 2009.

²² PRA incorporated, Report on Student Debt: Canadian College Student Survey and Canadian Undergraduate Survey Consortium.

²³ 0.1 percent of the Federal Budget

dropped steadily from a high of 72 percent of insurable earnings in the 1980's; to the current 55 percent as of 1994. Together these changes have resulted in a \$54 billion surplus.²⁴

Currently:

- Many women in part-time or "casual" work bank insufficient hours to qualify for EI and other benefits (maternity, compassionate leave and the like).
- Under present legislation the eligibility criteria is even more stringent for people entering the workforce for the first time, such as young workers and newcomers, as well as those who are re-entering the workforce after a 2 year absence.²⁵
- The two-week waiting period prior to drawing benefits further limits access.

CFUW recommends that the Government of Canada:

- Eliminate the two-week waiting period
- Increase the maximum yearly insurable earnings
- Lower the hours required for EI eligibility
- Increase benefits to 70 percent of regular earnings to prevent women in low-income jobs from falling into deeper poverty while drawing EI.
- Form an all-party working group to address employment insurance and to establish more equitable access.

10. Honour commitments to Foreign Aid and Women's access to reproductive health in developing countries

CFUW calls on the Government of Canada to honour Canada's commitment of 0.7 percent of Gross National Income (GNI) for Overseas Development Assistance (ODA). CFUW further urges the Government of Canada to reconsider its decision to freeze Foreign Aid.

CFUW urges the Government of Canada to ensure continued access to the full range reproductive health services and programs and to give priority to Canada's commitment to address the Millennium Development Goal Five - to improve Maternal Health and also to its commitments made at the International Conference on Population and Development (Cairo).²⁶

Women need access to modern methods of contraception or conceptive advice. More than 53 million unintended pregnancies occur every year, and 25 million women have unsafe abortions. There are 150,000 maternal and 640,000 newborn deaths. Safe and legal abortions could also help save 68,000 women's lives each year, and reduce the cost of hospitalization.²⁷

Conclusion

In conclusion, CFUW urges the Government of Canada establish a tax system that is fairer to women, implement pay equity, fund child care, and pay attention to employment insurance, pension reform and student debt. Furthermore CFUW recommends the Government establish a National Housing Strategy, take action on the crisis affecting Aboriginal women, address systemic factors of violence, poverty, and access to programs and ensure funding for research and advocacy. In addition, CFUW encourages the Government of Canada to honour Canada's commitment of 0.7% of Gross National Income (GNI) for Overseas Development Assistance (ODA), of which a sufficient proportion should be allocated to reproductive health services and programs.

²⁴ Social Planning Council of Peterborough. Changes to Employment Insurance. Info Notes, p.2

²⁵ Ibid

²⁶ Dennis, S. More Funding needed for international reproductive health. *Population Action International*. 2011

²⁷ Key facts about maternal and infant health in developing countries. *Population Action International*. 2011