

## **Brief to the House of Commons Standing Committee on Finance By the Social Planning Council of Winnipeg**

### **INVESTING IN WOMEN - GOOD FOR OUR SOCIETY AND THE ECONOMY**

#### **A. Reducing Poverty needs Government Leadership**

Though Canada is being faced with huge economic challenges brought on by the globalization of trade, communication and security, there are many opportunities and possibilities emerging for dealing with our pressing social and economic needs. It is important for government at all three levels to show leadership in addressing these huge national challenges, so that people in all sectors (private, public, non-profit) are able to do what they can.

In particular, the Board, staff and members of the Social Planning Council of Winnipeg, strongly encourage the federal government to:

- 1) Implement a National Poverty Reduction Strategy, in concert with the provincial governments, to address the diverse needs for housing, income security, childcare and health services.
- 2) Treat social and health services funding (via Canada Social Transfer and Canada Health Transfer - CST/CHT) as investments in Canada's human capital. We believe that poverty is a drag on our economy, not only because poverty increases health care, social service and correctional costs, but because poverty denies a large portion of our society the ability to be productive, secure and dignified citizens.
- 3) Adopt aggressive policy and programs that assist Canadians to change their use of energy and therefore protect our national environment. Federal government leadership will directly affect our public health, indirectly improve our social wellbeing and in the long term assure future generations of a healthy environment.

The Social Planning Council has been working on improving the lives of Winnipeggers for over 90 years.

We are convinced of the merits of government leadership in these areas, but know that sustained social and economic development takes place when communities of interest are respected and engaged. We collaborate with a large network of governmental and non-governmental agencies in reducing poverty and increasing social inclusion and we know first-hand how government must both lead and follow the public will.

In this brief, we want to focus on what the government should do to support women living in poverty, and therefore, how social programming can contribute to our economic growth. Women are the group most negatively impacted by income inequality in Canada, and as the Organization for Economic Cooperation and Development has reported, inequality negatively affects economic growth<sup>1</sup>. Women carry a major part of the responsibility of maintaining our society - domestically, commercially, culturally - and yet they continue to get less of the supports and services our country has to offer its citizens.

## B. Women - the most disadvantaged of the disadvantaged

In almost every statistical category of social activity and benefit in Canada, women fall into the lowest measures. The disadvantages that women bear have economic and social costs for all Canadians. In brief, women in Canada are:

- 1) The poorest of the poor.
  - a. Throughout all population segments - newcomers, seniors, visible minorities, persons with disabilities and lone parents - women are considered the poorest. About 1.84 million adult women lived in relative poverty in Canada in 2009, with incomes less than half of the median Canadian income, that is, below the Low Income Measure. Of these, 1.39 million lacked sufficient income to purchase items that the Canadian and Provincial governments have agreed are necessary to meet basic needs, below the Market Basket Measure<sup>i</sup>.
  - b. Overall, women are about 12% more likely to live in poverty than men; with single women faring worse. Unattached women are almost 20% more likely to be poor than unattached men, and unattached senior women are almost 50% more likely to be poor than their male counterparts (using the Low Income Measure, after tax)<sup>ii</sup>.
  - c. The vast majority of Aboriginal women are poor. They often migrate to urban areas with their children for social and economic reasons. The average annual income of an Aboriginal woman is \$13,300, compared to \$18,200 for Aboriginal men, and \$19,350 for non-Aboriginal women<sup>iv</sup>. 44% of the Aboriginal population living off reserve lives in poverty, but things are worse on reserve. Almost half (47%) of Aboriginal persons on reserve have an income of less than \$10,000<sup>v</sup>. Aboriginal women are also more likely than Aboriginal men to be trapped in low-paying jobs<sup>vi</sup>, and because of the continuing effects of the restrictions in the Indian Act, they face insecurities related to housing, limited access to services and higher probability of victimization. The high rates of abuse, including more than 520 missing or murdered across Canada, raise other major concerns in addition to the high levels of poverty and social exclusion.
  
- 2) Primarily responsible for families and child care.
  - a. Female lone parent families are the family group most likely to be poor, twice as likely as male lone parent families and five times as likely as couples with children. The median income of female headed lone parent families is 24% less than male lone parent families. As an example of the intersection between gender and immigration, the income of immigrant female lone parent families is 42% less than that of all male lone parent families. Lone parent families are increasingly common, and in 2006 made up 15.9% of all Canadian families<sup>vii</sup>. Most of these are female headed. Over one third (1/3) of female lone parent families in Canada live in core housing need, meaning their accommodation is not affordable, adequate, and/or suitable<sup>viii</sup>.
  - b. Subsequently, poverty affects 15.0% of all Canadian children<sup>ix</sup> and it has drastic impacts on education and health. Children in lower income quintiles are less likely to be assessed as developmentally ready for school, and poverty has been linked to poor health and chronic illness throughout the lifetime of an individual. A 2009 study by the Manitoba Centre for Health policy demonstrated that people in the lowest income neighbourhoods have lower life expectancy, higher infant mortality rates, and higher teenage pregnancy rates<sup>x</sup>.
  - c. The socioeconomic gap for premature mortality and teenage pregnancy are increasing over time. The socioeconomic gap is also widening for rates of diabetes, hospitalization for tuberculosis, and mental illness<sup>xi</sup>.
  - d. Women are also five times more likely to be the victim of spousal assault than men<sup>xii</sup>.

- 3) Caregivers for other vulnerable populations.
  - a. Women perform caregiving tasks for others that reduce reliance on government, especially healthcare, services. According to the 2006 census, 23% of women spend 15 hours or more per week on unpaid childcare, 21% spend 15 hours or more per week on unpaid senior care, and 44% spend 15 hours or more per week on unpaid housework<sup>xiii</sup>. With an aging population, senior care is a critical service that provides millions of dollars of subsidy, often unacknowledged, to our economy.
  - b. When these tasks are performed for pay, it is still most often women who are engaged in both public and private service facilities. Childcare, homecare, nursing, and janitorial work are dominated by women. These are also low pay and few benefit occupations that tend to keep women poor.

### C. Women - essential agents of economic and social development

While gender roles and responsibilities in our homes, workplaces and communities are changing, it is still true that women are instrumental in all areas of social, cultural and economic activity. Women have always played a significant role in social reproduction, material growth and social security, but it is only recently that they are being acknowledged and appreciated for their contribution.

However, women are still largely seen as a secondary players in society compared to their male counterparts, and are therefore underutilized as assets in national planning and development;

- 1) As mothers - key to family stability and sustainability.
  - a. Supporting women to be financially secure and independent through tax policies, health and social service funding, and educational opportunities in turn supports strong and healthy families.
  - b. Recent programs that strive to keep mothers connected to their children (rather than children being apprehended and institutionalized) are showing dramatic results in healthier children and reduced program support costs.
- 2) As workers - under-recognized contributors.
  - a. In 2003, it was estimated that mothers with children under the age of six contribute \$26.57 billion to the Canadian economy through their employment alone. If economists take into account mother's contribution to the skilled workforce, that number rises to \$53 billion per year, or 5% of Canada's Gross Domestic Product<sup>xiv</sup>.
  - b. Though women make up 47.5% of the Canadian workforce, they are more likely to work in non-standard employment. Women are 33% more likely than men to work in part-time, temporary, casual, and self-employment. These jobs are less likely than standard employment to be covered by pensions, Employment Insurance, medical benefits, and employment standards.
  - c. Wages for women also tend to be lower than for men. For full time, full year employees, men earn on average \$11,000 more per year than women. For all workers, women make \$0.68 to men's \$1.00<sup>xv</sup>. Women account for 60% of all minimum wage earners in Canada.
  - d. For many women, working part-time is not a choice. Statistics Canada found that 43% of women who work part-time do so to care for children or other family members. Lower pay and fewer hours of work follow women into their retirement with lower pension benefits. The average monthly retirement pension for women in 2009 was \$391.29, effectively creating dependence on government income supports<sup>xvi</sup>.

- 3) As citizens - a growing political force.
 

Women are increasingly finding their political voice and taking more of a role in the democratic procedures and institutions of Canada. Currently women are 4.2% more likely to vote than men, with younger women up to 11.0% more likely to vote than men<sup>xvii</sup>. The proportion of women voters increases with women's education and income.
- 4) As Aboriginal Peoples.
  - a. The Centre for the Study of Living Standards, in a report titled, "The Effect of Increasing Aboriginal Educational Attainment on the Labour Force, Output and the Fiscal Balance" stated: "Should the Aboriginal population's levels of educational attainment and labour market outcomes reach non-Aboriginal 2006 levels, federal and provincial governments would benefit from an a total of \$3.5 billion (2006 dollars) in additional tax revenue in the year 2026. Considering both fiscal savings and increased tax revenues, the government balance would improve by \$11.9 billion (2006 dollars) in Canada in 2026. It is estimated that the cumulative benefit for the consolidated Canadian government of increased Aboriginal education and social well-being is up to \$115 billion over the 2006-26 period<sup>xviii</sup>."
  - a. According to the Royal Commission on Aboriginal Peoples (1996), "the cost of doing nothing" or the cost of failing to change federal government policy toward Aboriginal peoples was estimated at about \$7.5 billion annually. This figure included \$5.8 billion in lost productivity and in increased social costs due to poor health, inadequate housing, limited social services and the high number of children in the welfare system.

#### **D. Recommendations for the Federal Budget**

SPCW recommends concentrating federal policy and funding commitments to support Canadian women and therefore to stimulate developments for other demographics and sectors of the economy.

- 1) Maintain and increase funding for public services that directly benefit women and particularly women living in poverty;
  - a. Increase the Canada Social Transfer and Canada Health Transfer to allow provinces to fund major programs in education, healthcare, housing and training for employment, at least at the 6% rate already committed to the Canada Health Transfer.
  - b. Provide additional funding for specific services like child care that benefit children and families. Various provinces have estimated the funding required for universal child care. Quebec has found that every dollar invested in childcare returns \$0.40 the next year in taxes on higher incomes alone. Research has shown that each \$1 invested in childcare saves \$2-\$7 in government expenditure<sup>xix</sup>. The Universal Child Care benefit, however, does little for low income women who cannot find or afford child care.
- 2) Increase income security which will provide women the means to earn and retain an income that allows them to address their personal, family and employment needed.
  - a. Raise the income tax threshold for women living in poverty - not through raising the basic personal exemption but through a minimum threshold set at the LIM level for the appropriate family size, below which low income people do not pay tax.

- b. Increase the Canada Child Tax Benefit (CCBT) to \$5400 for the lowest income families. The only time substantial decreases in the child poverty rates using the LIM were observed was when the government increased CCTB rates. The Caledon Institute of Social Policy and Campaign 2000 have persuasively argued that this will decrease the depth and amount of poverty, especially for lone parent women<sup>xx</sup>.
  - c. Drastically improve pension benefits for those without existing benefits and pensions. The Canadian Labour Congress argued that Canada can double Canada Pension Plan (CPP) benefits by increasing contributions by just 0.43% each year for seven years. This increase to seniors', namely elderly women's, pensions will save expenditure on Old Age Security and Guaranteed Income Supplement<sup>xxi</sup>.
  - d. Adjust the eligibility requirements for Employment Insurance (EI) so that more women are able to get income support while unemployed. In 2004, just 39.7% of unemployed women qualified for EI, a 6.4 percentage point difference from men<sup>xxii</sup>. Protecting unemployed women requires reducing the minimum number of hours worked to recognize their overrepresentation in part time employment. Also adjust eligibility to allow women who lose employment soon after a maternity leave to qualify for benefits. To support women in their roles as mothers and allow women time to find safe and affordable childcare, increase the maximum collection period for maternity leave.
- 3) Support organizations advocating for and servicing women, which can assist the government and other organization in their support for women.
- a. Encourage agencies that provide services for women to also be advocates for women's benefits, services and rights, by providing funding for research, public education and advocacy activities.
  - b. Recognize the role of social enterprise and small business in job creation - particularly in non-traditional fields and with pensioned/benefits jobs and support these programs through seed funding and micro-credit.

The Board and staff of the Social Planning Council firmly agree there are opportunities and possibilities emerging for dealing with our pressing social and economic needs in Canada. We are prepared to do our part. It is important, however, for the federal governments to show leadership on addressing the huge national challenges we face, so everyone - in the private, public, and non-profit sectors - are able to do their part.

Thank you for your attention and we look forward to hearing more about how the government will address the social needs of Canadians while stimulating economic growth.

Dennis Lewycky  
Executive Director

August 2011

## End Notes :

<sup>i</sup> Conference Board of Canada. (2011). Society: Income inequality. Retrieved from <http://www.conferenceboard.ca/hcp/details/society/income-inequality.aspx#growth>

<sup>ii</sup> Statistics Canada. (2011). *Persons in low income families, annual*. [Table 202-0802]. <sup>iii</sup>

Statistics Canada. (2011). *Persons in low income families, annual*. [Table 202-0802]. <sup>iv</sup>

Statistics Canada, 2000, p. 258.

<sup>v</sup> National Anti-Poverty Organization. (1999, April). Poverty in Canada: Some facts and figures, Fact Sheet, April 1999. Statistics Canada data.

<sup>vi</sup> Carole Lévesque et al (2001). Aboriginal women and jobs: Challenges and issues for employability programs in Québec Ottawa: Status of Women Canada. p. 17

<sup>vii</sup> Vanier Institute of the Family. (2010). Families count: Profiling Canada's families. Ottawa: The Vanier Institute of the Family.

<sup>viii</sup> Canada Mortgage and Housing Corporation. (2008). 2001 Census Housing Series: Issue 13- Housing Conditions of Women and Girls. Retrieved from <http://www.cmhc-schl.gc.ca/odpub/pdf/66279.pdf?fr=1305736402641>

<sup>ix</sup> Statistics Canada. (2011). *Persons in low income families, annual*. [Table 202-0802].

<sup>x</sup> Martens, P.J., Brownell, M., Au, W., MacWilliam, L., Prior, H., Schultz, J., Guenette, W., Elliott, L., Buchan, S., Anderson, M., Caetano, P., Metge, C., Santos, R., Serwonka, K. (2010). Health inequities in Manitoba: Is the socioeconomic gap widening or narrowing over time? Winnipeg, MB: Manitoba Centre for Health Policy.

<sup>xi</sup> Martens, P.J., Brownell, M., Au, W., MacWilliam, L., Prior, H., Schultz, J., Guenette, W., Elliott, L., Buchan, S., Anderson, M., Caetano, P., Metge, C., Santos, R., Serwonka, K. (2010). Health inequities in Manitoba: Is the socioeconomic gap widening or narrowing over time? Winnipeg, MB: Manitoba Centre for Health Policy.

<sup>xii</sup> Statistics Canada. (2010). Family violence in Canada: A statistical profile. Retrieved from [http://publications.gc.ca/collections/collection\\_2011/statcan/85-224-X/85-224-x2010000-eng.pdf](http://publications.gc.ca/collections/collection_2011/statcan/85-224-X/85-224-x2010000-eng.pdf)

<sup>xiii</sup> Vanier Institute of the Family. (2010). Families Count: Profiling Canada's Families. Ottawa: The Vanier Institute of the Family.

<sup>xiv</sup> Cleveland, G. & Krashinsky, M. (2003). Fact and fantasy: Eight myths about early childhood education and care. Retrieved from <http://childcarecanada.org/sites/childcarecanada.org/files/FactandFantasy.pdf>

<sup>xv</sup> Statistics Canada. (2011). *Average Female and Male Earnings, and Female-to-Male Ratios*. [Table 202-0102]. <sup>xvi</sup>

HRSDC. (2009). The CPP and OAS Statsbook, 2009.

<sup>xvii</sup> Elections Canada. (2008). Estimation of voter turnout by age group at the 2008 Federal general election. Retrieved from [http://www.elections.ca/res/rec/part/estim/estimation40\\_e.pdf](http://www.elections.ca/res/rec/part/estim/estimation40_e.pdf)

<sup>xviii</sup> Centre for the Study of Living Standards. (2009, May). The effect of increasing Aboriginal educational attainment on the labour force, Output and the fiscal balance. pg. vii.

---

<sup>xix</sup> Cleveland, G. & Krashinsky, M. (2003). Fact and fantasy: Eight myths about early childhood education and care. Retrieved from <http://childcarecanada.org/sites/childcarecanada.org/files/FactandFantasy.pdf>

<sup>xx</sup> Battle, K. (2008). A bigger and better child tax benefit: A \$5000 Canada Child Tax Benefit. The Caledon Institute of Social Policy. Retrieved from <http://www.caledoninst.org/Publications/PDF/668ENG.pdf>;  
Novick, M. (2007). Summoned to stewardship: Make poverty reduction a collective legacy. Campaign 2000. Retrieved from <http://www.campaign2000.ca/resources/papers/SummonedToStewardship.pdf>

<sup>xxi</sup> Canadian Labour Congress. (n.d.) Grow the CPP: A better way to save. Retrieved from <http://www.canadianlabour.ca/action-center/retirement-security-everyone/retirement-security-reform-1-double-cpp-benefits>

<sup>xxii</sup> Battle, K., Mendelson, M., & Torjman, S. (2006). Towards a new architecture for Canada's adult benefits. The Caledon Institute of Social Policy. Retrieved from <http://www.caledoninst.org/Publications/PDF/594ENG.pdf>