## Standing Committee on Finance (FINA)

**Pre-budget consultations 2012** 

# **Canadian Federation of University Women**

### Responses

#### 1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The Government of Canada should enact measures for economic recovery and growth that are inclusive of the specific economic needs and challenges faced by both women and men. Although the Government of Canada has not included gender analyses in its reporting on the Economic Action Plans since 2008, Queen's Professor Kathleen Lahey estimates that men have been the major beneficiaries of the over \$168 billion dollars in stimulus funding spent on infrastructure projects, cuts to the GST rate, corporate tax cuts and benefits, personal income tax cuts, and changes to Employment Insurance (1). CFUW therefore asks the Government of Canada to address this inequity for the benefit of women, and the Canadian economy as a whole. 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% (2 Daly, 2007). Indeed, 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 (3). Although women's labour market participation has increased significantly over the last few decades, today the employment rate for women in Canada is still only 57.9%, in comparison to 65.9% for men (4). Of those women working, 27% work part-time and earn on average \$14,100 less than men (5). Cross-country studies conducted by the OECD and others, have found that subsidized childcare boosts women's participation in the work force (6). Among industrialized countries however, Canada has one of the lowest child care access rates, and invests significantly less in child care than most OECD countries, where the average contribution is 0.7% of GDP (7). The Universal Child Care Benefit (UCCB) does not address the root causes limiting access to child care; the rising cost and the lack of quality childcare spaces. CFUW therefore recommends that the Government of Canada instead establish a nationally regulated universal early learning and child care program, and invest an sufficient funds to ensure its implementation. CFUW further recommends that the Government of Canada allocate funds to develop and implement a national strategy to address the underrepresentation and lack of retention of women in skilled trades and non-traditional occupations. Such as strategy should involve the participation of provincial and territorial governments, along with business, labour, and industry associations in finding ways to promote workplace cultures that are inclusive of women and prevent barriers to women's successful entry and advancement. Finally, to increase women's economic well-being and spending power, CFUW recommends that the Government of Canada allocate funds to implement the recommendations of the 2004 Pay Equity Task Force. (1)Lahey, K. (2012). Budget 2012: Still Ignoring Women's Economic Realities and Rights. Retrieved from: http://fafia-afai.org/wpcontent/uploads/2012/05/Kathleen-Laheys-Gender-Analysis-of-2012-Federal-Budget.pdf (2)Daly, K. (2007). Gender inequality, growth and global aging. Goldman Sachs Global Economics Paper. (3)Bibbee, A. (2008) Tax Reform for Efficiency and Fairness in Canada: Economic Department Working Paper No. 631. Paris Organization for Economic Co-operation and Development (4)HRSDC (2011). Work -Employment Rate. Retrieved from: http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=13#M 2 (5)Statistics Canada (2011). Full-time and Part-time Employment by Sex and Age Group. Retrieved from: http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor12-eng.htm (6)Daly, K. (2007). (7)Shaker, E. (2009). Beyond Child's Play: Caring for and Education Young Children in Canada. Centre for

Policy Alternatives.

#### 2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

As with economic recovery and growth measures, the Government of Canada should be sensitive to gender differences when identifying the actions needed to create jobs for both women and men. Although women are entering occupations that have been traditionally dominated by men with increasing numbers, and CFUW supports this trend along with government measures to encourage women's successful entry and advancement, the fact remains that women still make up a large percentage of workers within specific fields such as the caring industries, teaching, and clerical and service industries. For example, according to Statistic Canada, 87.1% of nursing, therapy and other health professionals are women (1). The HR Council for the Voluntary and Non-Profit Sector also states that approximately three quarters of all workers within the voluntary and non-profit sector are women (2). Any measures that are taken to create more jobs in Canada should therefore be responsive to these differences. Increasing public funds to the caring industries such as child care, health care and social services for example, is a direct investment in the security and creation of jobs for women. While these industries are primarily within provincial responsibility, it is essential that the federal government ensure that social transfers translate into job creation and security. In the case of the early learning and child care sector, with every \$1 million invested approximately 40 additional jobs are created. This is four times the jobs generated by similar investments in construction activity (3). CFUW therefore recommends that the Government of Canada invest more funds in the caring industries, including the creation of a universal early learning and child care program. The voluntary and non-profit sector is also a significant employer within the Canadian economy, making up approximately 7% of the overall Canadian workforce (4). CFUW recommends that the Government of Canada work with the sector, along with provincial and territorial governments to respond to its labour force needs and challenges. (1)Statistics Canada (2009). Distribution of employment by occupations, 1987, 1999 and 2009. Retrieved from: http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11387/tbl/tbl012-eng.htm (2)HR Council (2008). Toward a Labour Force Strategy for Canada's Voluntary and Non-Profit Sector. Report #2 Findings from the Canada-wide Survey of Employers and Employees. (3) The Centre for Spatial Economics (2009). Understanding and Addressing Workforce Shortages in Early Childhood Education and Care (ECEC) Project. Child Care Human Resource Sector Council. Retrieved from: http://www.cccabc.bc.ca/res/pdf/HRSC Workforceshort.pdf (4)HR Council (2008).

#### 3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Again, the demographic change must be viewed through a gender lens, paying particular attention to how the shift will affect women, both in terms of taking on most of the unpaid care responsibilities, and as most seniors in Canada are women. CFUW believes that encouraging public investment in home care, long-term care and child care are all essential to helping deal with the gender specific challenges associated with Canada's aging population and future skills shortages. In countries where it is difficult for women to combine employment with having children, female employment and fertility rates both

tend to suffer. Many couples/women are faced with the decision to either work or have children, which is particularly true for low-income families where the return on employment relative to the cost of child care is low (1). Many couples/women may also choose to put off having children until after they have completed their education, established themselves in their careers, made inroads into paying off their student debt and accumulated assets, all of which can negatively affect women's fertility (2). Access to affordable and safe child care therefore can provide the dual function of stimulating increased participation in the labour market, helping to address skills shortages, while at the same time indirectly boosting fertility rates (3). Access to affordable home care and long term care services are also essential to ensuring that younger generations, and particularly women, are not unduly straddled with balancing the unpaid care responsibilities of ageing parents and friends with paid employment. According to Statistics Canada, in 2007 2.7 million adults between the ages of 45 and 64 were providing unpaid elder care. Most of these caregivers also juggled employment with family and eldercare tasks, with approximately 57% of the caregivers being employed. Nearly 6 out of 10 of these caregivers were women, and 7 out of 10 requiring elder care were women (3). As baby boomers age, this is an issue that will likely become more widespread and thus requires the Government of Canada to take action. Investments in public home care and long term care will benefit seniors and unpaid caregivers, freeing up their financial and human resources to contribute to the economy. (1)Daly, K. (2007). Gender inequality, growth and global ageing. Goldman Sachs Global Economics Paper. (2)University of Ottawa. (2000). Facts and Figures: Canadian Birth Rates. Retrieved From: http://www.med.uottawa.ca/sim/data/Birth Rates e.htm and Luong, M. (2010). The financial impact of

http://www.med.uottawa.ca/sim/data/Birth\_Rates\_e.htm and Luong, M. (2010). The financial impact of student loans. Perspectives on Labour and Income. Ottawa: Statistics Canada. Catalogue no. 75-001-X. (3)Kelly Cranswick and Donna Dosman. (2007). Elder care: what we know today. Statistics Canada. Retrieved from http://www.statcan.gc.ca/pub/11-008-x/2008002/article/10689-eng.htm

### 4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Increasing the percentage of women participating in the labour market and in positions of leadership will help increase productivity in Canada. As the response to question 1 already addresses the issue of increasing the percentage of women in the labour market, this response will focus on how increasing the number of women in leadership roles will help boost productivity. According to Statistic Canada in 2009, only 31.6% of senior managerial positions across sectors were held by women (1). In terms of corporate leadership, only 6% of women head up Canada's largest 500 corporations and occupied 14% of board positions (2). There is a growing body of literature that compares the financial performance of companies to gender diversity at top levels. The 2009 McKinsey Women Matter global survey for example highlighted the link between the characteristics of women leaders and organizational health. In the survey, McKinsey & Company asked business executives what they believed to be the most important leadership attributes for success. Each of the top four responses from executives - intellectual stimulation, inspiration, participatory decision-making and setting expectations/rewards – were attributes more commonly found among women leaders (3). Another recent study by McKinsey & Company concluded that women choose to remain at their current level or move to another organization despite their confidence and desire to advance, because they feel that they lack role models, are excluded from informal networks, and do not have sponsors in upper management to create opportunities. Comprehensive organizational changes are therefore needed to address the gender gap in leadership (4). CFUW recommends that the Government of Canada increase funds for the advisory council of leaders from the private and public sectors to promote the participation of women on corporate boards, and that the mandate of this advisory council be expanded to include

increasing women in leadership positions at all levels, and across sectors. CFUW also recommends that the Government of Canada allocate more funding to Status of Women Canada to support research, advocacy and training geared towards increase women and girls participation in leadership roles. (1)Statistics Canada. (2009). Distribution of employment by occupations, 1987, 1999 and 2009 http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11387/tbl/tbl012-eng.htm (2)Catalyst (2011). Canadian Women in Business Pyramids. Retrieved from:

http://www.catalyst.org/publication/198/canadian-women-in-business (3)McKinsey & Company (2009). Women Leaders, a Competitive Edge in and After the Crisis. Retrieved from:

http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/Women\_matter\_dec2009\_englis h.pdf

# 5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Women in Canada face numerous threats to their personal and economic security, which CFUW believes the Government of Canada can help address by taking the following actions: •Increase funding to services providers to assist women that experience violence; •Increase funding to Status of Women Canada to administer to organizations researching and advocating for public policy solutions to address gender based violence, women's economic insecurity, and under-representation in leadership roles; • Allocate funding to develop and implement a national poverty reduction strategy, which is sensitive to gender differences; and •Allocate funding to develop and implement a national housing strategy that ensures all women have access to safe, secure and affordable housing Ending gender based violence is essential to ensuring women's overall well being and realizing their rights to personal security. In Canada, one in two women over the age of 16 will experience violence in their lifetime (1). This not only has tremendous social costs, but involves significant financial costs as well. For instance, according to recent research the costs associated with women fleeing intimate partner violence alone is estimated at \$6.9 billion a year in health, legal and social services (2). Finding solutions to prevent and ultimately end violence against women should therefore be a priority for the Government of Canada. This should include providing support to non-government organizations to carrying out research and advance public policy solutions. Similarly poverty is estimated to cost Canadians between \$72 and \$86 billion each year in health care services, criminal justice measures and lost productivity (1). Meanwhile, the National Council of Welfare estimates that in 2007 it would have cost Canada \$12.3 billion to bring everyone just over the poverty line (2). Since women, and particularly unattached and lone parent women, Aboriginal women, racialized women, women experiencing mental illness and addictions, and women over 65 are more vulnerable to poverty than men (3), finding gender sensitive approaches to address and prevent poverty should be a priority of the Government of Canada. Addressing the gender specific causes of poverty is also essential to addressing child poverty. (1)Canada Without Poverty. The Costs of Poverty: Retrieved from: http://www.cwp-csp.ca/poverty/the-cost-of-poverty/ (2)National Council of Welfare. (2011). Dollars and Sense of Solving Poverty. Retrieved from: http://www.ncw.gc.ca/l.3bd.2t.1ilshtml@eng.jsp?lid=433&fid=2 (3)Hoeppner, C. (2010). Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada. Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.