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James Rajotte, M.P.  
Chair, Standing Committee on Finance  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6

01 East Cordova St.  
Vancouver, BC V6A 1K7

Dear Mr. Rajotte,

**Re: Income Inequality Consultation**

We welcome the House of Commons Standing Committee on Finance's decision to open a study on income inequality in Canada. This issue has become increasingly pressing for too many Canadians who struggle with the day-to-day effects of income inequality and poverty.

Income inequality has consequences that are diverse and sometimes difficult to anticipate. Those consequences are often worse for individuals in our society who are already vulnerable. We live in a culture where violence against women is widespread: in 2004, approximately 653,000 women were subject to abuse by their partners.<sup>i</sup> The YWCA has reported that each year in Canada, domestic violence forces more than 100,000 women and children out of their homes and into shelters.<sup>ii</sup>

The economic toll of this violence is enormous: in 2009, the Department of Justice estimated economic impact of domestic violence in Canada was \$7.4 billion dollars. Of that cost, \$6 billion was borne by victims – primarily women, and often women whose options for escape or protection are limited by financial insecurity.<sup>iii</sup>

Any discussion of income inequality in Canada must include recognition of the ways that poverty and violence interact to threaten the lives and livelihoods of Canadian women.

**Atira Women's Resource Society**

Atira Women's Resource Society ("Atira") is a community-based organization that supports all women, and their children, who are experiencing the impact of violence committed against them and/or their children. Since its formation in 1982, Atira is an active voice in the struggle to end violence against women and their children through advocacy, education, and outreach.

Atira is a direct service organization that works specifically with women who are marginalized by their experiences of poverty, violence, struggles with substance use, mental and spiritual wellness and other forms of oppression. We provide legal advocacy, counseling, outreach support, and self-

employment initiatives, in addition to managing affordable housing and shelter programs throughout Metro Vancouver.

As a direct service organization working with women who are vulnerable, Atira has substantial expertise regarding the real challenges facing low-income women every day as a result of income inequality. The following recommendations are based on our everyday work with vulnerable women.

### **Recommendations**

1. Create and implement a national housing strategy that is informed by the unique challenges women face in their search for safe and affordable housing.
2. Implement a federal minimum wage that pays a living wage to workers in federal jurisdiction industries.
3. Increase funding provided through the Canada Social Transfer for income and disability assistance and require the provinces to meet minimum standards for the provision of income assistance.
4. Implement additional services for women to support them in overcoming barriers to employment.
5. Work with Aboriginal communities to address the disproportionately low incomes of Aboriginal people living both on and off reserve.

### **National Housing Strategy**

Canada is the only G8 country without a national housing strategy and yet millions of Canadians are desperately in need of safer and more stable housing. Between 150,000 and 300,000 Canadians are homeless; some 900,000 Canadians face precarious or substandard housing conditions; and an additional 3.1 million Canadians spend more than 30% of their income on shelter.<sup>iv</sup>

Some 25-30% of Canada's homeless population are women.<sup>v</sup> As mentioned above, more than 100,000 women and children in Canada resort to shelters each year when fleeing violence. Unfortunately, women who are homeless, regardless of the cause, are even more vulnerable to violence as a result of their precarious housing situations. Women and their children may have no other option but to stay in abusive situations because they cannot access alternate housing. Homeless women face a mortality rate 10 times that of other women; a homeless woman's average life expectancy is only 39 years – less than half the average for women with a place to live.<sup>vi</sup>

Unfortunately, homelessness can also accelerate a cycle of poverty. Homelessness and precarious housing make it difficult for women to find and maintain the employment they need to afford safe and stable shelter. Ensuring that women have access to affordable housing means they can stop struggling to meet their basic needs, and begin earning enough to save for the future.

### **Minimum Wage**

In 2008, women accounted for 60% of Canadian workers who were paid at or below the minimum wage.<sup>vii</sup> The income gap between men and women in Canada is substantial: nationally, women earn only 71 cents for each dollar men earn.<sup>viii</sup> Canadian women are disproportionately represented among people living in poverty, and women are even more likely to be poor if they are single,

disabled, Aboriginal, racialized, or recent immigrants to Canada.<sup>ix</sup> One in seven women in Canada lives in poverty.<sup>x</sup>

The minimum wage, even for full-time workers, is rarely enough to live on. In 2008, the living wage in Toronto was calculated to be \$16.60; the current minimum wage in Ontario is \$10.25.<sup>xi</sup> This problem is compounded by the fact that many women working at or just above the minimum wage only work part-time, often so that they can balance child-care responsibilities.

The disadvantage in wages follows women throughout their lives. Differences in earnings make it much harder to save for retirement, and mean that women are less likely to benefit from pensions. The average monthly retirement pension paid through the Canada Pension Plan to men who retired in May 2009 was \$564.23; for women, it was \$391.29.<sup>xii</sup>

This financial insecurity puts women at far greater risk when they face abuse. Women may find themselves forced to stay with abusive partners, regardless of the risk to themselves or their children. Re-establishing the federal minimum wage (abolished in 1996) at a living wage rate of pay would provide important protection to the women who make up the majority of low-wage workers. It would also encourage employers in industries not covered by the Canada Labour Code to raise their wages in order to continue competing for the best employees.

### **Income and Disability Assistance**

The rates of poverty among Canadian women are shocking, particularly when those women are members of other vulnerable communities. In 2005, 36% of Aboriginal women were living in poverty. Also living in poverty were 26% of women with disabilities, 29% of racialized women, and 23% of immigrant women. In 2004, 35.6% of single mothers were living below the poverty line.<sup>xiii</sup>

Social assistance rates in Canada are abysmally low. In 2009, the highest total welfare income for a single parent with one child was \$19,297 in Newfoundland and Labrador. The lowest total welfare income in the same category was \$14,829 in Manitoba. The median total welfare income was \$16,715.<sup>xiv</sup>

For comparison, Canada's low-income cut-off in 2009 for a two-person family living in a city of 500,000 people or more was \$27,674. The difference between the amount required to live above poverty, and the amount received by a single parent with a child, is more than \$10,000 per year in most of Canada.

Poor women have less freedom to leave their abusers to protect themselves and their children, and are more likely to return to an abusive situation. Poor women are more likely to have their children apprehended by the state – not because of neglect or mistreatment, but because they cannot afford food on the rates of income assistance they receive. Women on income assistance in Canada do not receive enough money to live in health and in safety.<sup>xv</sup>

The federal government should increase the amount of money earmarked in the Canada Social Transfer for social assistance, and implement minimum standards for income and disability

assistance across the provinces to ensure that provincial governments are meeting their obligations to their citizens.

### **Barriers to Employment**

Women face particular barriers to employment – particularly stable, well-remunerated employment – which contribute to the gendered dimensions of income inequality in Canada.

Sadly, sexist attitudes and gendered socialization about the work women can or should do persist, meaning that women are under-represented in higher-paying jobs that are traditionally male-dominated. The reverse is also true: women are over-represented in lower-paying, traditionally female-dominated work. Seventy percent of women workers are employed in female-dominated sectors – health, teaching, clerical, sales, and service – which tend to pay less and are more likely to provide part-time, seasonal, or otherwise unstable contracts.<sup>xvi</sup>

Women also bear a disproportionate burden of family responsibilities. In 2010, women spent on average 50.1 hours per week on unpaid child care at home, compared to 24.4 hours for men.<sup>xvii</sup>

Women are also much more likely to lose time from paid work as a result of family responsibilities.<sup>xviii</sup> This unfair burden on women is worsened by Canada's lack of affordable child care – in 2008, Canada had the lowest child care access rates in the industrialized world.<sup>xix</sup>

Employment equity cannot be achieved without structural supports that help all people – not just women – to care for their families while they work.

A federal response to income inequality needs to recognize the gendered barriers to equal participation in the labour force. Increased access to affordable child care, initiatives to improve education access for women, and broad employment access programs that recognize gendered barriers are required to ensure women have fair access to work.

### **Aboriginal Communities**

In 2006, the median income for Aboriginal people in Canada was 30% lower than the median income in the rest of Canada: \$18,962 as compared to \$29,097.<sup>xx</sup> In 2006, one in four Aboriginal children lived in poverty.<sup>xxi</sup> Aboriginal Canadians are massively under-housed compared to the rest of Canada: 23% of Aboriginal homes are in need of major repairs (compared to 7% among Canadians on the whole), while more than half of Inuit families live in overcrowded conditions.<sup>xxii</sup>

Aboriginal Canadians – and especially Aboriginal women – confront challenges to economic stability that are deeply tied to the experience of colonialism. The destruction of traditional economies and the deliberate movement of Aboriginal people onto marginal lands represent institutional strategies intended to oppress Aboriginal people and alienate them from their cultures.<sup>xxiii</sup>

Aboriginal women remain disproportionately subject to violence, in their communities and by the state. In 2004, 24% of Aboriginal women reported being victims of domestic violence – more than three times the national average.<sup>xxiv</sup> This year, Human Rights Watch released a report on violence against Canadian Aboriginal women committed by police.<sup>xxv</sup> The issue of missing and murdered Aboriginal women has yet to be sufficiently addressed. Atira supports the call for a national inquiry on missing and murdered women.

The lingering effects of colonialist policies continue to echo through Aboriginal communities. Any study of income inequality in Canada must recognize the consequences of our colonial heritage and work with Aboriginal communities to support the healing processes that are already underway.

### **A Note on Data Collection**

One of the challenges in evaluating income inequality in Canada results from recent decreases in data collection and analysis relating to income inequality and poverty in Canada. Last year's elimination of the National Council of Welfare removed 50 years of institutional memory and policy expertise by abolishing the independent body explicitly mandated to advise the Minister of Human Resources and Skills Development on poverty and issues affecting low-income Canadians.

The elimination of the mandatory long-form census has also made it much more difficult to evaluate data on poverty and income inequality. The response rate to the voluntary long-form survey is likely to under-represent Aboriginal people, recent immigrants, and low-income families – the people on whom data is most needed in order to accurately measure the effects of income inequality in Canada. Women are over-represented among low-income families, and so without the mandatory long-form census, the data recovered may fail to account for the gendered nature of income inequality in Canada.

These losses in data have not been made up elsewhere. The most recent Statistics Canada Report on Social Assistance dates from 2008, and other government agencies lack the mandate to carry out the detailed data collection and analysis on issues specifically relating to poverty. One study on income inequality cannot replace the substantial institutional losses of data on poverty and income inequality that have occurred in recent years.

### **Conclusion**

Over the past 20 years, income inequality in Canada has increased.<sup>xxvi</sup> Given the disproportionate effects of income inequality on groups in Canada that are already marginalized – especially women – this should be cause for substantial concern.

We believe that the recommendations above would act as a meaningful step forward in the effort to reduce income inequality in Canada. The causes of income inequality are complex, and there is no one clear solution. However, these proposals would work to improve the lives of the most vulnerable Canadian citizens – those most deeply affected by income inequality.

We appreciate the opportunity to participate in this process. We would be pleased to provide additional information or answer questions at your convenience.

Sincerely  
Atira Women's Resource Society

Janice Abbott  
CEO

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