

› March 2008

Budget 2008

What's In It For Women?

By Armine Yalnizyan



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ISBN 978-0-88627-599-0

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Budget 2008: What's In It For Women?

Canadian women make up half the electorate¹ and almost half the nation's income tax payers. They contribute \$42.4 billion in personal income taxes to the well-being of all Canadians.² Despite this heft, this budget is written as if women are afterthoughts, mere asterisks in the larger Canadian story.

Women are mentioned only six times in the 2008 federal Budget Plan.³ But in a 52-word passage of a 416-page budget plan the government's approach to women takes on a disconcerting twist. The passage, entitled *Advancing Equality of Women* (p.118), promises an action plan next year to improve women's economic and social conditions and participation in democratic life. Canada already has such an action plan. It was crafted in 1995 but never implemented. Did the Finance Minister not get the memo?

Apart from this promise to draft a plan, Budget 2008 does virtually nothing for Canadian women struggling to balance family and work life. Its heavy emphasis on tax cuts as the only possible answer to a potential economic downturn means women must wait, at the very least one year more, for government to consider their real and urgent needs.

The tax cuts on offer are strongly tilted in favour of men — high-income men. Women, in contrast, benefit most from investments in vital services such as affordable child care, housing, and since they are driving post-secondary education enrolments, affordable university and college tuition is very important to Canadian women. None of these appear in Budget 2008.

This paper examines the federal government's priorities laid out in this government's last three budgets and finds an approach that rewards the rich, but does precious little for the rest of us. Despite availability of huge surpluses, women's concerns are almost invisible.

This government spent a lot of public relations power trying to condition all Canadians not to expect much of them in Budget 2008, using the uncertain economic moment as its foil. The budget hammers home the government's key priorities: tax cuts, debt reduction, a steady march towards smaller government and a greater push to get Canadians to rely on themselves. Doing otherwise displays questionable judgment, claims the government, due to risk of budgetary deficits. The bigger question is: What happened to the surplus?

1 How to Make A Surplus Disappear

The fiscal ability to make a difference — to invest in the lives of Canadians, women and men, has been immense. Canada has enjoyed an unparalleled record within advanced industrialized nations when it comes to surplus budgets. Canada is the only nation boasting 10 back-to-back fiscal surpluses at the federal level, and until recently the nation was on track to chalk up huge surpluses as far as the eye could see. What a difference two years make.

The minority Conservative federal government came into power in January 2006. Within 25 short months in office, this government literally wiped out steady double-digit surplus revenues. The February 2008 Budget says that surpluses

will be razor thin in the next two years — a stunning development.

Governments use surpluses for three things: invest in new or expanded public services, reduce taxes, or pay down debt.

The minority Conservative government took \$17.8 billion in surplus revenues from 2007–08 and allocated \$2.7 billion in new spending, \$4.8 billion in tax cut giveaways, and \$10.2 billion for immediate debt reduction. In the previous two years they allocated \$14 billion and \$13 billion for debt repayment, and some modest spending.

Budget 2008 — which folds in measures announced through the October Economic and Fiscal Update (the EFU) — sets out a plan which

TABLE 1 How to Make a Surplus Disappear

Budgetary Measures Announced Per Budget (Over 2 year Horizon)	Budget 2006	Budget 2007	Budget 2008
Tax:Spend Ratio	2:1	1:1	4.4: 1
New Tax Cuts	\$20 billion	\$12 billion	\$24 billion
New Spending	\$10 billion	\$12 billion	\$5.4 billion
Budgetary Debt Payment Commitment	\$3 billion a year	\$3 billion a year	\$13.8 billion by 2009–10
Actual Debt Payment (minimum amount already stated for 2007–8)	\$13.2 billion	\$13.8 billion	At least \$10.2 billion

offers Canadians \$23.9 billion in new tax cuts and \$13.8 billion in debt reduction by 2009–10. This compares with only \$5.4 billion in new spending measures over the same time frame. That breaks down to about seven dollars in tax

cuts and debt reduction for every dollar in new spending. Add this government's previous two budgets, which were loaded with tax giveaways and debt reduction, and the result is a disappearing surplus.

2 A Commitment to Smaller Government

This minority government has been unequivocal in its focus and intent: tax cuts and debt reduction are two ways to restrict the scope and scale of government. It took three budgets, but it has delivered on that promise.

This year's budget speech announced that the Conservative government has scheduled almost \$200 billion in tax cuts measures between 2005–6 and 2012–13, and that they plan to put aside \$50 billion on debt repayment in the same time-frame. That is \$250 billion of surplus funds that will never be invested in improving the lives of women, their children, their families, their communities.

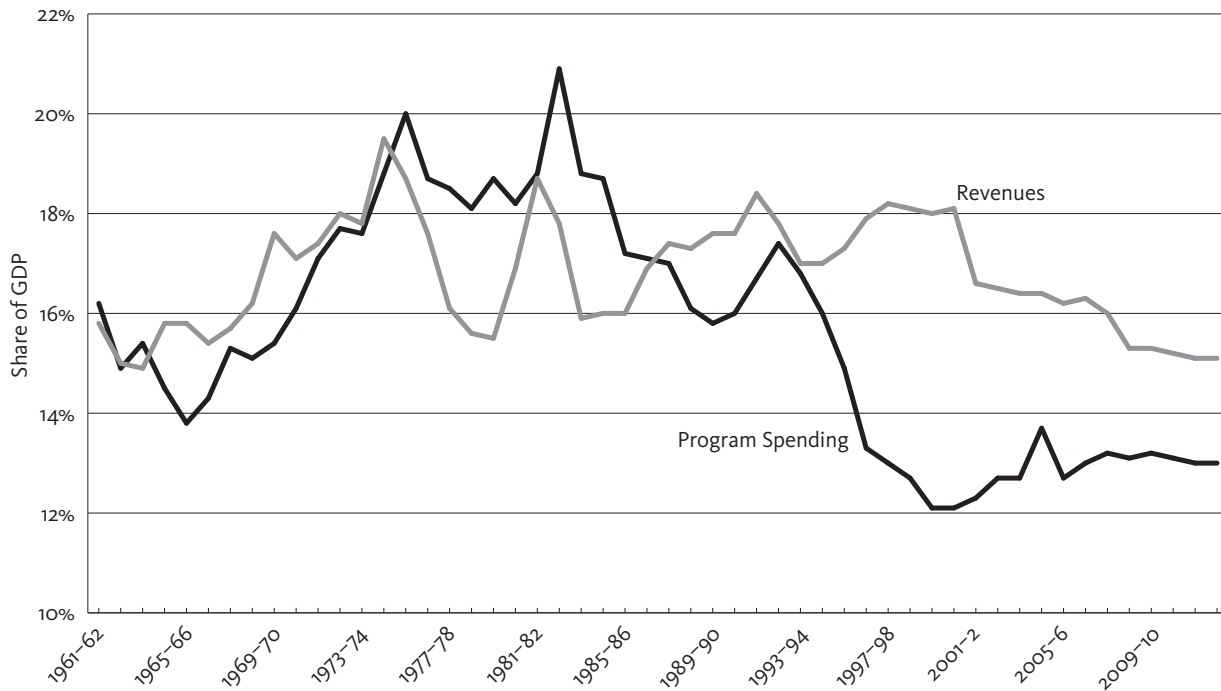
As for new spending, the government offers no equivalent summary of its spending initiatives over the 5 year horizon. But a review of the past three budgets shows heavy emphasis on military, security, policing, and border-related trade infrastructure.

The Department of National Defence (DND) is the only department that will see its annual budget increase, from \$15 billion when this government took office to well over \$22 billion a year by 2012–13. The projections for defence spending are not available to the public through

budget documents. Finance officials contend it is not clear how many soldiers will successfully be recruited, so it is difficult to project spending. But the previous government had increased DND spending from \$8.8 billion in 1996–7 to \$15 billion by 2005–6. The 2005 budget would have brought defence spending to \$20 billion by 2010–11. Additions in the last two budgets brings it to roughly \$22 billion — making the Department of National Defence two-and-a-half times bigger than just after the cuts of 1995. These figures likely understate the size of expansion. For instance, \$17 billion in new military equipment purchases are not referenced in budget documents.

The government increased federal transfers to the provinces in the previous budget in response to pressure to address a “fiscal imbalance” with the provinces. Rebuilding civic infrastructure has been made a provincial responsibility. Almost \$1.5 billion made available for this purpose is now conditional on public-private partnerships. There is some new spending in other areas, but many ventures have been financed by cutting some programs and reallocating existing resources to new initiatives.

FIGURE 1 Federal Revenues and Program Spending as Share of GDP Canada, 1961–62 to 2012–13



SOURCE Government of Canada, Finance Department, Fiscal Reference Tables, 2007; and Budget 2008

The simple fact is that the Conservative government’s combined three budgets are explicitly geared to shrinking federal spending and depleting revenues available to invest in families, communities, Canada’s future. This government is shrinking our revenue base and holding spending at lower rates than the growth rate of the economy. Revenues actually contract this year (only the third time since the 1960s, and not due to a recession). Spending actually increases, but not as fast as the economy grows. This explicit formulation spells trouble in the event of an economic slowdown, and foreshadows program cuts. Programs cuts disproportionately affect women. The prospect of more cuts is sobering, particularly most of what was cut in 1995 has yet to be restored.

Federal revenues as a share of the economy (GDP) are targeted to fall to about 15.3% of the

economy. This will bring the federal rate of taxation down to levels last seen in the mid-1960s.

Federal spending as a share of the economy (GDP) is scheduled to drop to about 13%. That’s about 2% lower than it was in the mid-1960s.

Every percentage point of GDP is worth about \$15 billion. Imagine what \$15–30 billion in investments could accomplish in tackling the pressing issues facing our nation: stubborn poverty, growing income inequality, crumbling infrastructure, climate change.

The problem is not just the shrinking size of government. With government spending on the military and police, border crossings and ports taking up more of the spending room, the programs that most benefit women — housing, child care, education, health care, unemployment insurance and legal aid — take a back seat, in monetary and policy terms.

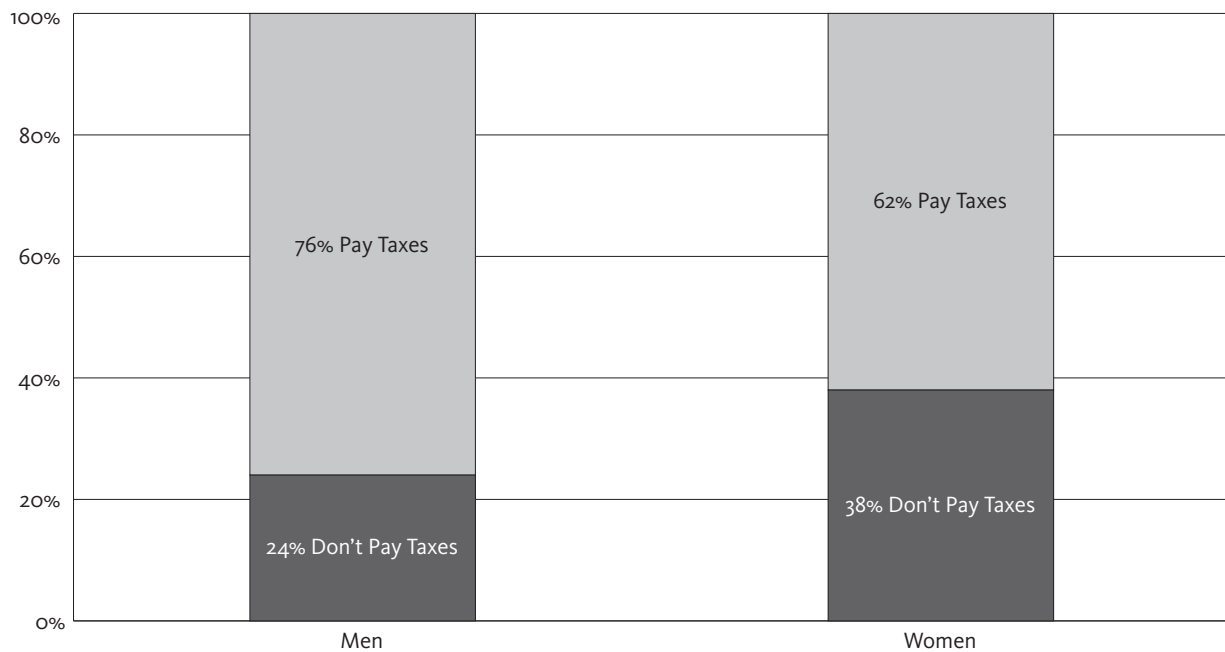
3 The Tax Agenda— Why it doesn't help most women

Tax cuts take pride of place in the Conservative government's priorities. But who benefits?

Back in 1970, women made up just over a third of Canadian taxpayers. But since then, there has

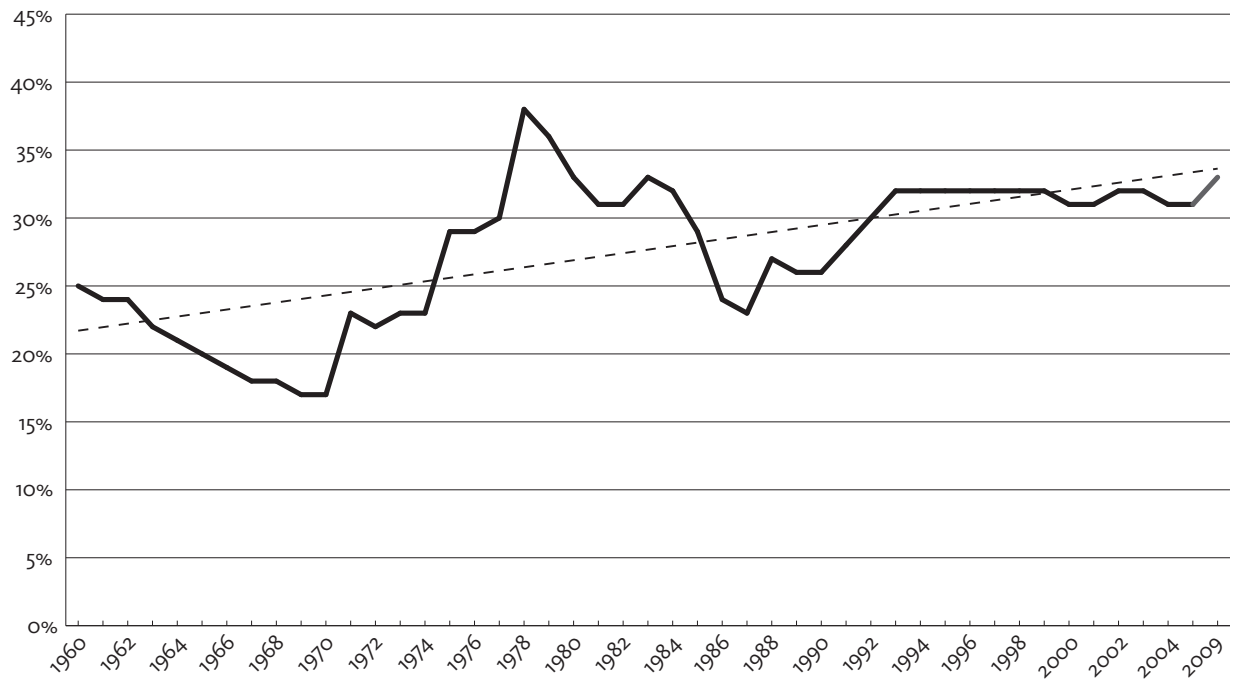
been a revolution in the workplace. More women are working than ever, and they now make up almost half the nation's taxpayers (46.3%)

FIGURE 2 More Women Than Men Are Not Taxable



SOURCE Canada Customs and Revenue Agency, Tax Statistics, 2007

FIGURE 3 Percent of Taxfilers Not Paying Taxes Historically High, Poised to Rise



SOURCE Canada Customs and Revenue Agency, Final Tax Statistics, Historical Series, numerous publications

But just because there are more women taxpayers doesn't mean they are going to benefit from a tax cut agenda.

3.1 Tax cuts don't help 38% of women because they don't pay taxes

The lion's share of the tax cut agenda is targeted to slashing personal and corporate income taxes.

But a tax cut agenda only benefits those who pay taxes. Almost one-third of Canada's taxfilers — 31.4% — pay no federal income taxes because their net incomes are too low to be taxable.

Women's incomes are systematically and substantially lower than men's, so they more frequently fall a non-taxable category. Income tax cuts don't reach 38% of Canadian women. On the other hand, 76% of men will benefit from these policies.

Budget 2008 states that the tax cut agenda implemented by this government will have re-

moved almost 700,000 low-income Canadians from the tax rolls by next year. While some hail this as progress, over time it may raise tensions over who is perceived as carrying the load for society.

The share of Canadians paying income taxes is lower than it was in the 1960s — yet the demands on our public system, from health care and child care to crumbling infrastructure and struggling cities, are immense.

The measures under this budget plan will raise the proportion of Canadians not paying taxes from 31% to 33% by 2009.

At what point does the balance between taxpayers and non-taxpayers become politically unsustainable? When 40% of society pays no income tax? Half the population?

These are not measures that "benefit the poor". It fans the flames of resentment and calls for further tax "relief" by those still paying income taxes.

Communities across Canada are struggling to provide the basic services that residents need and demand. The choice is now more stark than ever: increase taxes or cut services. Most Canadians don't want less service; they want more, and better, service. Women, particularly, want more, and better, service. They expect more from government. And over time they're paying a bigger share of the bill for it.

3.2 Growing reliance on income taxes

In the 1960s, personal income taxes contributed to 30% of federal government revenues. Today, they account for 47% of federal revenues.

Corporate taxes, in comparison, have gone from about 19% of federal government revenues in the 1960s to around 13% today.

Men pay almost twice as much in income taxes as women, because of their higher incomes. But it may come as a surprise to see that the per

capita rate of tax paid is actually quite low, for both men and women.

Among those who paid taxes, the average federal income tax paid by men was \$7,700 in 2005. Including provincial income taxes, men paid about \$10,900, on average. Women paid an average federal income tax of \$4,200, and \$5,200 in total income taxes. Again, this amount excludes those not paying tax.

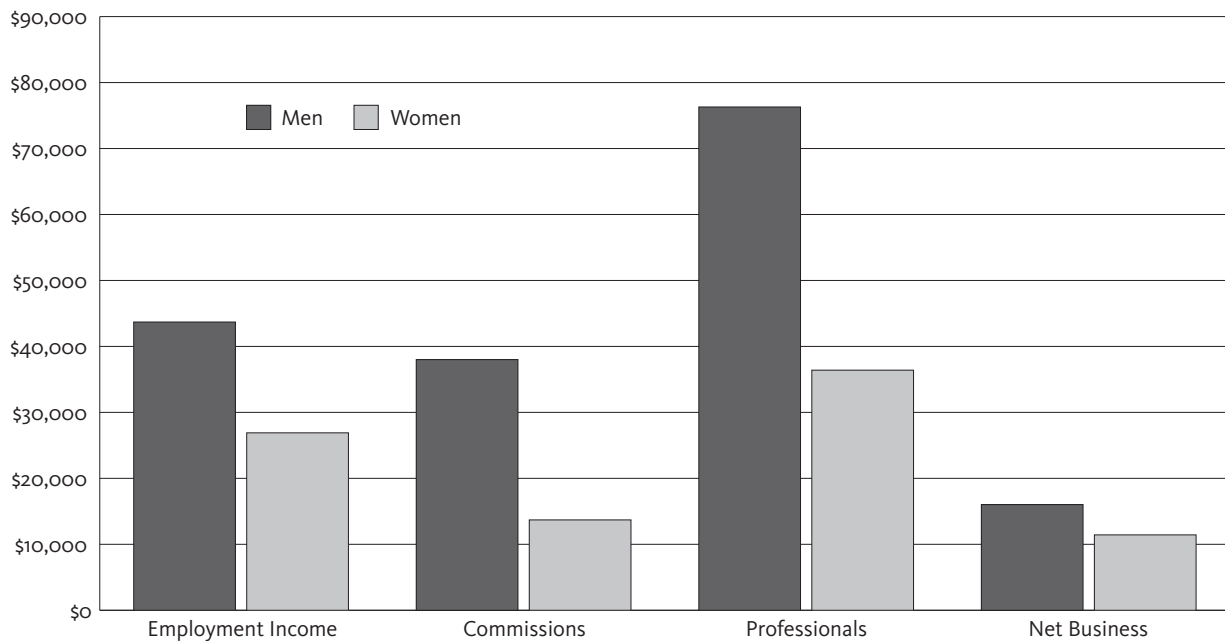
Despite the differential, women's share of income taxes has been growing, primarily because they have been working more.

3.3 Women's incomes — Not the same bang for the tax cut as men

One reason women don't get as much out of a tax cut agenda as men is their lower incomes.

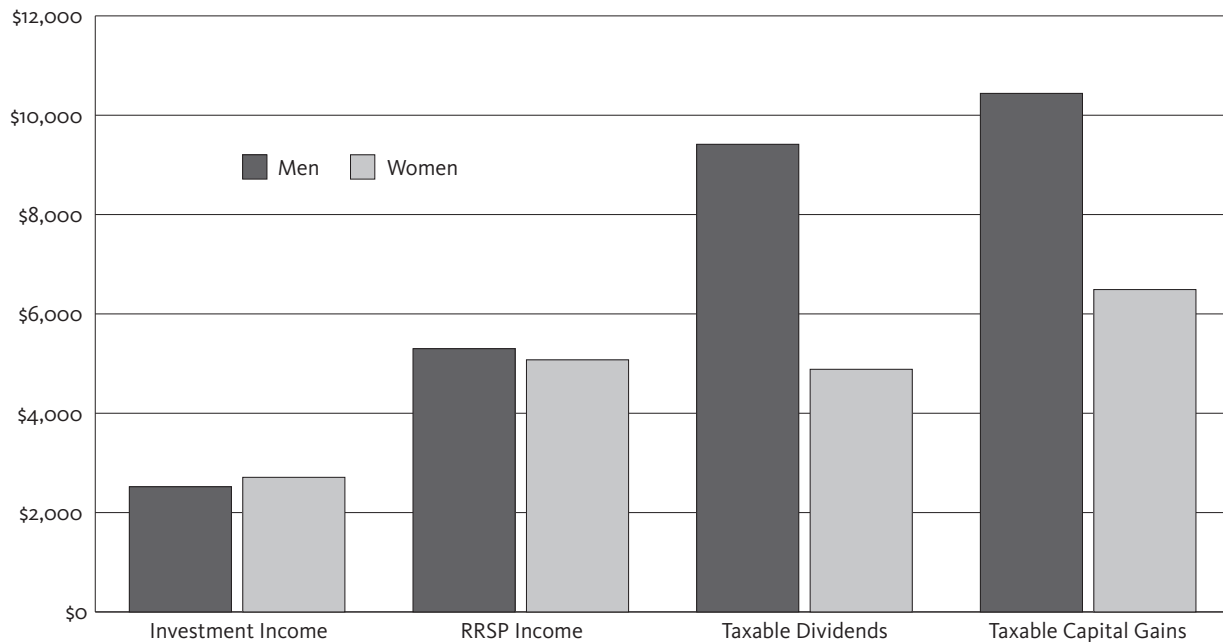
The latest tax statistics available⁴ show men account for 68% of total employment income, women 32%. On average, men declared \$43,700 in employment income, and women \$26,900.

FIGURE 4 Average Earned Income, Men and Women, Canada, 2005 Selected Categories, Taxable Incomes



SOURCE Canada Customs and Revenue Agency, Interim Tax Statistics, 2007 (2005 taxation year), Table 4a

FIGURE 5 Average Unearned Income, Men and Women, Canada, 2005 Selected Categories, Taxable Incomes



SOURCE Canada Customs and Revenue Agency, Interim Tax Statistics, 2007 (2005 taxation year), Table 4a

Women therefore earn, on average, 62% of what men earn.

There are other forms of earned income, but men make more of that money too. For example, men are more likely to make money through commissions (60%, compared to 40% for women). The average commission earned by a man was \$38,000 in 2005. Women’s average commission was \$13,700.

The number of Canadians declaring earned income from business or through professions is about 57% male and 43% female. Male professionals make the highest average annual earned incomes — about \$76,300 — which is almost twice that of female professionals (\$36,400). Farming and fishing are both more male-dominated occupations (70% of Canadians who declare farm-based incomes are male, and 80% of fishing-based incomes). Net income declared by fishermen was higher than fisherwomen (\$13,300 versus \$9,000). Interestingly, females’ net incomes from farming were higher than males (\$3,800 versus \$3,100).

Most income is earned, but some of it flows into bank accounts unearned, primarily through investments or inheritance. The number of men and women declaring non-earned incomes are roughly evenly split. They also take in the same amount — on average — of RRSP incomes (roughly \$5,000) and investment income (roughly \$2,000). However, the amounts declared by men and women are very different when it comes to dividends and capital gains. Men, on average, declared almost twice the amount of capital gains (roughly \$9,600) as women (\$5,500), and almost twice as much taxable amounts of dividends (\$9,000 versus \$5,000).

Changes in tax treatment of non-earned incomes, particularly for capital gains and dividends, are consequently of greater financial benefit for men than women. Those benefits flow primarily to high-income individuals: 63% of all dividend income is claimed by those with taxable incomes higher than \$100,000, and 69% of all capital gains

TABLE 2 Taxable Incomes of Men and Women, 2005
Two-thirds of women fall into the bottom tax bracket of less than \$38,000

Taxable Incomes of	Men	Women	Total	% Men	% Women	% Total
Less than \$10,000	217,160	263,410	480,570	2.5%	3.5%	3.0%
Less than \$15,000	694,340	978,010	1,672,350	8.0%	13.1%	10.3%
Less than \$20,000	1,381,430	1,991,110	3,372,540	15.9%	26.6%	20.9%
Less than \$30,000	2,860,670	3,704,450	6,565,120	32.9%	49.5%	40.6%
Less than \$40,000	4,294,250	5,075,170	9,369,420	49.4%	67.8%	57.9%
Over \$100,000	655,590	190,960	846,550	7.5%	2.6%	5.2%
All Taxable Returns	8,686,860	7,485,810	16,172,670	100% (53.7% of Total)	100% (46.3% of Total)	100.0%

SOURCE Canada Customs and Revenue Agency, *Final Tax Statistics*, 2006 (2004 taxation year), Table 6

are claimed by this group. This group accounts for less than 6% of all taxable Canadians.

3.4 A Budget for The Rich, Not the Rest of Us

Budget 2008 states that \$3 billion a year in personal income tax cuts will go to Canadians in the lowest tax bracket, those with taxable income less than \$37,885.⁵

Over two-thirds of women fall in this lowest tax bracket. Tax data from 2006 (based on 2004 tax files) show the following breakouts for those with taxable incomes of less than \$40,000:

For who might be thinking \$3 billion in income tax cuts for those in the lowest tax bracket sounds like a lot of money, put it in context: It comes out of a big bag of tax cuts worth some \$192 billion over the next five years. And 58% of Canadians have incomes that do not exceed this tax bracket. For every dollar that goes to the majority of Canadians, including the poorest, \$12 goes to higher income Canadians and corporations.

Some people don't have enough income to pay tax, so tax cuts actually give them nothing at all. Over a third of Canadians who filed taxes made \$15,000 in 2004. Over half of Canadian women made less than \$20,000. Shockingly, almost 80%

of Canadian women make less than \$40,000, from all sources, before paying taxes.

3.5 Tax Free Saving Accounts—The Rich Just Struck it Richer

The bottom half of the income spectrum was likely not top of mind when the centrepiece of Budget 2008, the new Tax Free Savings Account, was crafted. It is a new tax-exempt savings vehicle which begins small, but will ramp up over time to remove significant amounts of investment income from the reach of the tax man.

The design of the program means the majority of its costs will come down the road. Still, for such a "small" program, the budget estimates it will cost the public treasury \$920 million over the next five years. Only pennies will go to ordinary working families. That's because the tax advantage comes down the line, not up front. As it is, very few working families can manage to save enough to take full advantage of tax breaks offered through registered private pensions and RRSPs. These programs reduce taxes up front, which means — if you can save — you have more money in your pocket this year.

The Tax-Free Savings Account (TFSA) delays the benefits. But the pay-off is you never pay a penny of tax on the income that flows from

TABLE 3 Male and Female Taxfilers, by Income Class, 2005 Women Have Much Lower Incomes Than Men

All Tax Returns With Incomes From All Sources of	Men	Women	Total	% Men	% Women	% Total
Less than \$10,000	2,028,870	3,378,990	5,407,860	17.7%	28.0%	23.0%
Less than \$15,000	3,061,600	5,111,950	8,173,550	26.7%	42.3%	34.7%
Less than \$20,000	4,011,040	6,466,570	10,477,610	35.0%	53.6%	44.5%
Less than \$30,000	5,584,760	8,261,750	13,846,510	48.7%	68.4%	58.9%
Less than \$40,000	7,046,410	9,649,470	16,695,880	61.5%	79.9%	71.0%
Over \$100,000	656,960	191,420	848,380	5.7%	1.6%	3.6%
All Taxfilers	11,456,490	12,071,190	23,527,680	48.7%	51.3%	100.0%

SOURCE Canada Customs and Revenue Agency, *Final Tax Statistics*, 2006 (2004 taxation year), Table 6

TABLE 4 Why The Tax-Free Savings Account Won't Reach Most People Under 45 Dollars left over after all expenditures including incomes taxes and pension contributions by income and age, 2005

Each income group contains one-fifth of all households

Age of main income recipient	First quintile (poorest)	Second quintile	Third quintile	Fourth quintile	Fifth quintile (richest)
Under 35	-\$7,100	-\$4,100	-\$3,100	\$1,200	\$15,000
35-44	-4,800	-3,000	-200	2,900	27,200
45-54	-5,800	-1,500	1,400	6,500	30,400
55-64	-3,600	-4,200	600	3,700	31,300
65 and up	-500	-2,300	700	2,900	5,700
Total income group	-3,700	-2,500	-800	2,500	23,000

SOURCE People Patterns Consulting based on Statistics Canada *Survey of Household Spending* custom tabulation.

these investments. The tax savings are greatest for those who can put aside the most money, for the longest. That's not often the case for low- or middle-income Canadians. So how does the new plan work, and who is it for?

Starting in 2009, Canadians over 18 can contribute up to \$5,000 per year to the TSFA (and roll forward any unused room). There is no lifetime limit.

It is important to place this amount in context. The Vanier Institute reports that Canadians' average savings plummeted from \$7,500 a year in 1990 to about \$1,000 in 2007. Canadians are having a very hard time saving.

Catered to help those who can save, this program ignores the trouble the younger generation

is having saving. At least 60% of those under 45 are unlikely to benefit from this move. They're not only not saving — they're in the hole.

While it has been noted that some low-income individuals could greatly benefit from this arrangement — by getting untaxed income growth on inheritances, settlements or lottery winnings — the fact is the TSFA is not designed to help low-income citizens. It is designed to protect investment incomes of the richest Canadians.

It may prove very costly. If this program had existed for the past 20 years, the Finance Department estimates the cost to the tax system this year would have been \$3 billion. By 2012–13 the

TSFA will cost the Treasury an estimated \$385 million per year.

This is essentially a program to shield capital gains. Consequently over two-thirds of the benefits from this program go to 6% of Canadians, those with taxable incomes of more than \$100,000. (They were the source of 69% of all taxable capital gains in 2005.) This is a male domi-

nated group, but also a very elite group: 5.7% of men who filed taxes, and 1.6% of women.

Looking ahead, TFSAs raise another troubling issue: a future generation of retirees could be paying little or no income tax (for those who could afford to save) but expect to receive large amounts of high-cost public services, such as public health care.

4 Limiting the Capacity to Act— Deliberate Government Policy

The government has paid down \$27 billion in debt in the past two years and plans to pay down at least as much over the next five years. The previous government paid down over \$65 billion. Between 1997–98 and 2012–13 debt repayment will have totaled over \$115 billion. At this rate, it will take another 47 years to eliminate the debt, if that is the goal. In any case, the debt to GDP ratio will fall automatically with a rising economy.

The real target of this and previous government's debt reduction plans is to achieve a debt "load" of 25%. These measures simply accelerate the time frame. Canada could reach the 25% target by 2017 simply by paying \$3 billion a year, even if the economy only grew at 3% a year, which is slow by recent standards. So why this frenzy to pay off debt?

For every dollar we put into the race to get to a 25% debt load, we relinquish a dollar to invest in crumbling cities, eliminate poverty, or tackle climate change. On average, we've invested \$9.5 billion a year over the past decade to pay down debt. We could have maintained and repaired the

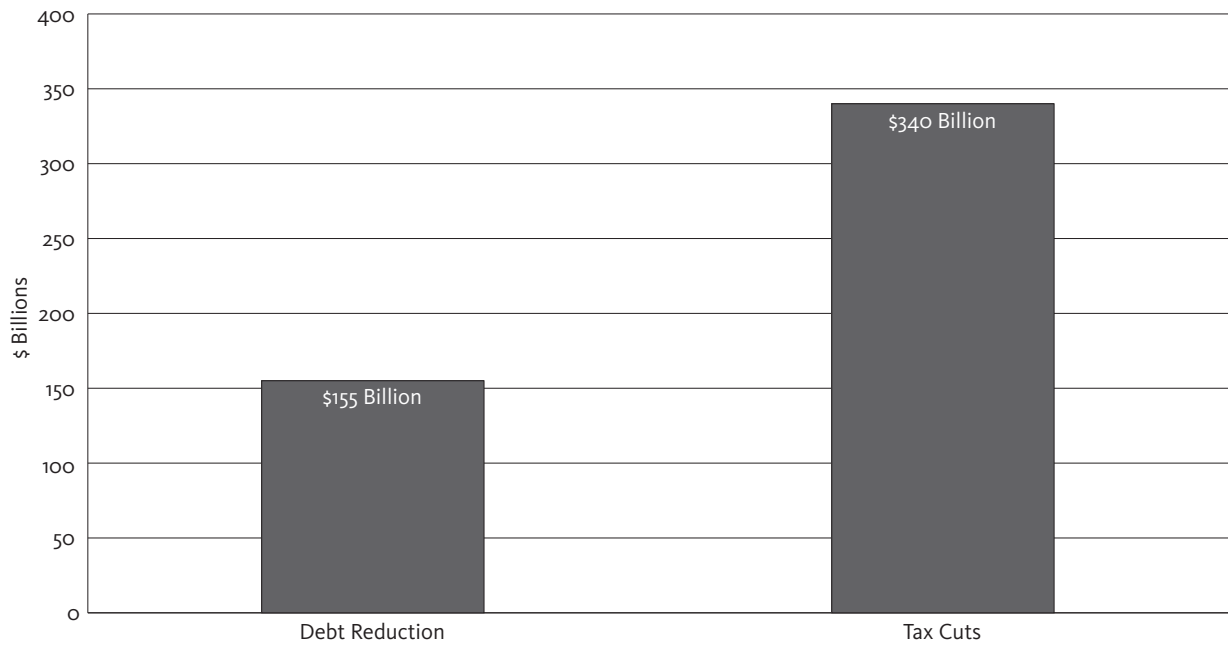
infrastructure our parents built a generation ago or expand the infrastructure we need today.

Tax cuts, too, have constrained Canada's ability to invest in itself and its future.

Over a 15-year period successive federal governments have blown \$340 billion⁶ in surplus federal revenues on tax cuts—most of which did not flow to women. Tax cuts don't build child care spaces. Tax cuts to make our drinking water safe. Tax cuts don't create affordable housing. They don't buy teachers, hospital beds, or timely public transit.

In 1995, the federal government of the day slashed spending on programs that enrich and support the lives of women and their loved ones. Funding for health care, post-secondary education, unemployment insurance, social assistance, legal aid, housing and children's aid was deeply cut. In the absence of these vital public services, many women have filled the void—caring for their loved ones at home, juggling work and family responsibilities, living in poverty. Despite record surpluses, these programs remain cash-starved.

FIGURE 6 Investing in Tax Cuts and Debt Reduction 1997-98 to 2012-13



5 How Budget 2008 Responded to Women's Concerns

5.1 Women's Work, Women's Poverty

In 2004, 73% of all women with children under 16 worked for pay⁷. In 2004, 65% of women with children under three worked for pay. Three out of every four employed mothers of children under 16 in Canada were employed full-time in 2004.

When the jobs are there, women will take them. Yet many women have simply joined the ranks of the working poor. Almost two-thirds of minimum wage workers in Canada are women. Almost four in ten jobs are now precarious — contract employment; on call, casual and seasonal work; work through temporary agencies. They have no job security, and most have no benefits.

Women are systematically more poor than men. The poverty rate among the elderly is twice as high among women as men (8.7% compared to 4.4%) Single mothers have the highest poverty rate of any demographic group in the nation. A third of these families live in poverty. In 2005, 320,000 children — half of all the children in low-income families — lived with a single mother.

Budget 2008 was blind to these struggles. It gave \$282 million over the next three years

to survivors of war veterans, and \$110 million for mental health pilot projects. For the rest of Canadian women and the poor, the Budget advised they should save more. Child care needs continue to go unaddressed in this budget. And investments in children's benefits were flatlined for the foreseeable future.

5.2 Women On the Move

Women use public transit more than men, primarily to get to and from work (952,375 women reported using public transportation compared with 670,355 men in Census 2006).

Budget 2008 provided \$500 million for public transit out of the 2007–08 surplus. Within days, it was announced that \$108 million of that was going to restoring a train line that had been cut in 1990 by the federal government of the day. Running from Peterborough to Toronto (and through the Finance Minister's riding), that line will carry about 900 people every day.⁸ As a point of comparison, the public transit system of Toronto, where these commuters would be traveling to, serves at least 1.4 million riders daily.⁹

5.3 Women and Health

Due to their reproductive roles and higher incidence of chronic disease, women are the major users of health services. The increasing rates of chronic disease and continuing shortage of hospital beds have resulted in the transfer of more unpaid care-giving work to women, as they care for the ill, disabled and elderly. This compromises their labour force participation and creates added burdens on working women truly trying to do it all.

There is already a shortage of health professionals to meet primary and acute health care needs in Canada. That shortfall of people will accelerate in the coming decade, as hundreds of thousands of people start to retire. What did the government do to prepare for this challenge?

Budget 2008 dished out \$30 million in GST/HST tax cuts over the next two years to for-profit corporations that provide health care and long-term care, the costs of specially trained service dogs, and training for dealing with disabilities like autism. That's it for health care.

As a point of contrast, Budget 2008 provided \$400 million to recruit 2,500 new front-line police officers. That same amount could have recruited at least 7,000 registered nurses.¹⁰

5.4 Women, Violence and Safe Housing

Many women are in a precarious financial situation, partly as a result of low-paid work, and partly as a result of these conflicting pressures for paid and unpaid work. Add violence to the mix and women's lives are filled with unbearable constraints in choice, since there are few affordable and accessible housing options available in most cities and communities. This situation is even more difficult in rural and remote locations.

Budget 2008 was silent on the issue of violence against women.

There are more than 4 million people classified in 2005 as being in "core housing need". That means they are living in a home needing major repairs, or they are living in overcrowded housing, or their rent costs 30% or more of what they earn. A quarter of all households in core housing need are headed by single mothers.

Budget 2008 failed to renew the slender housing supports it had in the last budget. More silence.

5.5 Women and Education

Canadian women are better educated than ever before. Census 2006 reports that a third of women in the workforce have university degrees, compared to a quarter of men. This is up from 16% of women and 21% of men a generation ago. In 2007, 57% of full-time students were women. Tuition fees have more than doubled in the decade from 1993 to 2003 — hitting women hardest because of lower incomes and higher rates of study.

There are 1.3 million full-time students engaged in post-secondary studies. About half will graduate with student debt — averaging \$22,000 in 2005 — that will take a decade to pay off.¹¹

Budget 2008 extended the \$350 million a year that would have normally gone to grants for students through the Millennium Scholarship Fund. It added \$123 million more — by 2012–13 — to the student loans system. Currently 425,000 students are served by this program. Grants up to a maximum of \$250 per month will be income tested to benefit low- and middle-income families, but details depend on negotiations with the provinces.

Budget 2008 also allocated \$28 million in supports over the next two years for 500 Canadian and international doctoral students, who can receive up to \$50,000 each for up to three years.

Budget 2008's measures fall far short of the need, mostly by women students, for affordable, quality post-secondary education.

5.6 Women's Work and Women's Unemployment

Most women juggle paid work and family responsibilities to a degree unprecedented in Canadian economic history. They rely more than men on community and social services. They are more likely than men to work in the public sector, teaching, and caring (in health and social services). When public services get scaled back — as they were for the better part of a decade — the impacts on women are harsh. It means fewer supports to help them do their paid and unpaid tasks. It means workloads get intensified, jobs get contracted out, or workers are simply terminated.

When unemployed, women are less likely to get unemployment insurance. Changes to the Employment Insurance system in the 1990s re-

sulted in such restricted eligibility that only one in three unemployed women collects EI benefits today, down from 70% in 1990. They simply don't qualify — even though they pay into EI.

The only response to economic insecurity in Budget 2008 was to devolve responsibility for EI to a Crown Corporation and place a cap on the amount by which premiums could be raised in the event of an economic downturn. The Budget also set aside a \$2 billion rainy-day fund, in case the premium increase was not enough; but the \$2 billion is a mere shadow of the \$64.6 billion in surplus funds generated by the unemployment insurance system since 1993. Instead of pouring that surplus back into EI, to ensure more Canadians benefit when they fall on hard times, that money has been used over the years for — what else — tax cuts and debt reduction.

6 Commitment to Developing a Gender Plan: Scary stuff or opportunity?

Women have been told by federal governments, in good times and bad, to wait for their issues to be addressed. Women disproportionately shouldered the burden of the deep funding cuts to social programs of the mid 1990s. They should not be placed in that position again.

Budget 2008 promises the federal government will develop an Action Plan for women “that will advance the equality of women across Canada through the improvement of their economic and social conditions and their participation in democratic life”.

We hope that commitment means the government is ready to finally put into motion the federal plan created more than a decade ago to reduce barriers to women’s equality. The government of the day called it “a statement of commitments and a framework for the future” that builds on the UN *Platform for Action* that was signed in Beijing by Canada and 188 other nations in 1995.

That same year, the federal government cut vital programming that improved the lives of Canadian women, their families, and their communities. All in the name of balancing a budget that had not been balanced since 1970.

The cuts to the Status of Women and Court Challenges programs in 2006 are a reminder that, even when times are not tough, cuts can be considered part of “business as usual” operations of a government.

Any meaningful action plan must therefore include fiscal analysis of budgetary measures that shows the incidence of benefits and costs for Canadian men and women, in all income classes. Both tax and spend initiatives need to be assessed through such a lens, in the interests of fairness and responsibility.

That would not only reflect truly responsible leadership; it would reflect a federal government that shares a commitment to equity, for women and for all Canadians.

Notes

¹ Out of a population of 33 million people, 23 million were eligible voters in the last election. 64.7% voted. Elections Canada, Statistics Canada and the Library of Parliament have no information about what proportion of the voting population was female or male. <http://www.elections.ca/scripts/OVR2006/default.html>

² Canada Revenue Agency, Income Statistics 2007, based on 2005 tax returns. <http://www.cra-arc.gc.ca/agency/stats/gbo5/pst/interim/pdf/table4-e.pdf>

³ Women are mentioned 6 times in the Budget Plan. Twice as fisherwomen, along with fishermen. Once as war veterans, along with their male counterparts. Three times (including the title) in a 52 word passage entitled “Advancing Equality of Women” (p.118) where we are told that an Action Plan will be developed next year to improve women’s economic and social conditions and participation in democratic life.

In comparison, families are mentioned twelve times — with respect to RESPs and taxation, interest rates, veterans and services on reserves. Children are mentioned 21 times. There is a small measure, worth \$3 million (out of a \$17.8 billion surplus in 2007–08) to provide all children with severe allergies to medication with Medic Alert bracelets. They are also men-

tioned with respect to retirement, a tax measure from two years ago for fitness tax credits, tax credits for saving for education, crime prevention and autism. Children’s benefits have been flat-lined for the full horizon of this budget.

⁴ The data in this section are drawn from The Canadian Revenue Agency Tax Statistics Files. The most recently available data are used through — based on the 2007 interim files publication, based on 2005 tax returns. However, as there is no table that compares male and female incomes by income class in the interim statistics, the 2006 Final Statistics publication was used, drawing on Table 6, which is based on information from the 2004 tax year.

⁵ It might be of interest to note that average wage earnings of Canadians in 2006 was \$38,998.

⁶ The previous government announced historically unprecedented tax cuts in the fall of 2000, totaling \$100 billion over the next five years. In Budget 2003 they set out a table of the impact of their revenue measures, between 1997–98 and 2004–5, totaling \$152 billion. This doesn’t include the 2005–6 year, and no estimates were made after Budget 2003 of how much the tax cut agenda cost in total. After that the Con-

servatives tabled budgets in which tax reductions total over \$192 billion by 2012–13.

⁷ Unless otherwise noted, the data in this section are cited and sourced in the gender analysis in the Canadian Centre for Policy Alternatives' 2008 Alternative Federal Budget, *A Budget Canadians Can Count On*, published February 2008.

⁸ Tess Kalinowski, "No-frills rail link outlined", Toronto Star, March 4, 2008

⁹ http://www.toronto.ca/ttc/pdf/ttc_annual_report_2006.pdf

¹⁰ The average salary of a registered nurse in Alberta, the most highly paid jurisdiction, was \$66,000. Ac-

cording to the 2007 *Alberta Wage and Salary Survey*, Albertans in the Registered Nurses occupational group working part-time or full-time earned from \$37,800 to \$90,900 a year. Salaries for registered nurses who work full-time (1,921 hours a year) and are members of United Nurses of Alberta started at \$53,600 a year (in 2006). http://www.alis.gov.ab.ca/occinfo/Content/RequestAction.asp?aspAction=GetHTMLProfile&format=html&OCCPRO_ID=71002748

¹¹ Statistics Canada, Follow-up Survey of Graduates, *The Daily*, May 2, 2007

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The Canadian Centre for Policy Alternatives is an independent, non-profit research institute funded primarily through organizational and individual membership. It was founded in 1980 to promote research on economic and social issues from a progressive point of view. The Centre produces reports, books and other publications, including a monthly magazine. It also sponsors lectures and conferences.

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