

Federal Budget 2010: Prelude to a Gender Impact Analysis

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What the government says...

- “Our government is fully supportive of gender equality. Canada’s Economic Action Plan was a recession-fighting plan to help all Canadians who needed it. We extended EI for all, we brought in tax cuts for all, we extended skills training for all and we invested in nearly 16,000 infrastructure projects that will benefit all Canadians.” (Andrew MacDougall, PMO, as quoted in *Toronto Star*, March 3,2010)

Examining the Budget...

- Does Canada's Economic Action Plan benefit ***all*** Canadians ***equally***? Is the budget neutral in its impact?
- More likely elements of the budget will have a differential impact on Canadians depending on ... where Canadians live (urban/rural, east/west, e.g.); ...their age (youth/senior); ...their gender (men/women/other); ...
- The goal is to understand as completely as possible the impact of a policy so that we may make fully informed decisions.

Did you know?

- If immigrants and seniors in Canada had the same opportunities and labour market circumstances as men in Canada, then
 - Personal income would be \$168B higher
 - An additional 1.6 million women would be employed, and
 - The Gross Domestic Product would increase by 21%

(Royal Bank of Canada, 2005)

Impact Analyses

- Identify a given expenditure or taxation policy, or set of policies
- Identify the sector or sphere of activity targeted for effect
- Identify the characteristic to examine for differential impact (e.g., gender, regional, demographic)
- Propose a hypothesis or research question
- Examine the relevant data for evidence to support or refute the hypothesis

Prelude to Gender Impact Analysis

- Canada's Economic Action Plan is designed principally to “get Canadians back to work”
- But economic policies will have different implications for women and men stemming from differences in their relative contributions to paid and unpaid work

Some urgent socio-economic concerns

The federal government must take urgent action to remedy

- the profoundly unequal status of Aboriginal and First nations women,
- the scarce resources for legal aid for family and civil law, women's increasing poverty, and
- the downloading of care-giving onto women due to cuts in social programs.

January 2003, UN Committee reviewing Canada's compliance with the Convention to Eliminate All Forms of Discrimination Against Women (CEDAW)

Selected Budget 2009-10 Initiatives

- I. Personal Income Tax relief
- II. Social Housing Investment
- III. Federal Infrastructure Investment
- IV. EI Enhancements and Training Initiatives

Prelude to Gender Impact Analysis

- Consider the above sets of Budget Initiatives
- Consider some gender statistics in relevant sectors/spheres
- Propose a hypothesis for future research

Budget Initiative I.

Personal Income Tax Relief

- Increasing basic personal income deduction
- Raising the threshold income for phase out of the National Child Benefit supplement and Child Tax Benefit
- Working Income Tax Benefit to strengthen work incentives and lower the “welfare wall” of welfare “disincentives”

Gendered Tax Statistics

- 38% of women tax-filers have no federal income tax payable because their incomes are so low, compared to 24% of men.
- In 2003, average annual pre-tax income of women (\$27K) was 62% of that of men
- Women represent 61% of tax-filers earning \$25,000 or less.
- Most workers in Canada earning minimum wage are women.
- Men represent 77% of tax-filers with incomes of over \$100,000

Gender Impact of Personal Income Tax Relief Measures

- Personal Income Tax Relief measures can, by design, only benefit tax filers
- More women have lower incomes, pay less tax, and so gain less from income tax relief; conversely more men have higher incomes, pay more tax and so gain more from income tax relief
- 2006-2010, of the direct benefits from personal income tax cuts, women saw only 40%.
- **Research Hypothesis: Personal income tax relief will benefit men more than women**

Budget Initiative II.

Social Housing Investment

- Continued expenditures to renovate existing social housing units (conditional on provincial matching \$)
- Including new housing for low income seniors, and
- New housing on First Nations Reserves and in the North

Gendered Social Housing Statistics

- Women are more likely than men to experience housing affordability problems.
- The poverty rate of Aboriginal women is 36%.
- Nearly 38% of unattached senior women have incomes that fall below the poverty line, compared to 29% of unattached men.
- Among unattached seniors who rented in 2003, 72% of women, compared to 58% of men, were considered to have housing affordability problems (more than 30% of household income spent on housing costs).
- Among unattached homeowners under age 65, 24% of women, compared with 11% of males, had housing affordability problems.

Gender Impact of Social Housing Investments

- Women, especially seniors and aboriginal women, are much more likely to face housing affordability problems than men
- **Research Hypothesis: Investments in social housing will benefit women more than men**

Budget Initiative III.

Federal Infrastructure

Investment

- \$2.2B to support industries and communities; including support for job growth in
 - forestry, agriculture, small business, tourism, shipbuilding, culture, manufacturing machinery and equipment
- Modernize public infrastructure:
 - Railways
 - Roads
 - Bridges
 - Buildings

Sector Employment Statistics, by gender

- 7% of construction workers, those in skilled trades, and in transportation are women
- 22% of engineers are women
- 21% of workers in resource and extractive industries are women
- 31% of manufacturing workers are women
- Two-thirds of women in the paid labour force work in occupations traditionally held by women, such as nursing, teaching, sales, and clerical positions.

Gender Impact Analysis of Federal Infrastructure Investments

- Forestry, agriculture, manufacturing machinery and equipment, shipbuilding, constructing and renovating railways, roads, bridges, and buildings, all will employ skilled labour in male dominated areas of employment
- **Research Hypothesis: Men will benefit more than women from the direct stimulus to employment.**

Budget Initiative IV. Employment Insurance and Training

Enhancements

- Temporary (2009-2011) increase in EI benefits by 5 extra weeks
- Extension of the work sharing and investments in training and skills development for youth
- (*\$1B for training delivered through EI program— from 2009, due to expire in 2010*)

Gendered EI Statistics

- In the most recent qualifying period, 3 times as many men qualified for EI as did women
- EI does not reach 60% of the unemployed Canadians, most of whom are women
- Training programs reach EI-eligible Canadians only
- In 2004, 27% of total female workforce were part-time employees compared with 11% of men; but part-time work does not qualify for EI

Gender Impact of EI Enhancements

- EI enhancements do not change EI eligibility
- EI reaches more men than women
- EI and training enhancements retain gender disparities stemming from unemployment disparities
- **Research Hypothesis: Men will gain more than women from EI enhancements and training initiatives**

Conclusions

- The preliminary GIA suggests potential for significant gender disparities in the impact of the 2009-2010 Federal Budget
- The need for robust data through which we may trace the gendered and other differential impacts of budget policies is critical to ensuring Canadian public policy decisions are fully and accurately informed.

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