

BRIEF  
TO THE  
PRE-BUDGET CONSULTATIONS  
OF THE  
HOUSE OF COMMONS STANDING COMMITTEE ON  
FINANCE

SUBMITTED BY

THE NATIONAL COUNCIL OF WOMEN OF CANADA

Prepared by

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## **EXECUTIVE SUMMARY**

The National Council of Women of Canada (NCWC) appreciates the opportunity to participate in this pre-budget consultation discussion.

The three recommendations that NCWC is putting forward here reflect our federal taxation or program spending priorities and are as follows:

#1: ERADICATE POVERTY

#2: INCREASE SUPPORT FOR EDUCATION AND SKILLS DEVELOPMENT

#3: ENSURE FAIR AND EQUITABLE RATES OF TAXATION

This brief, through our recommendations, attempts to address the four primary issues as specified by the Finance Committee:

- a) How to achieve a sustained economic recovery in Canada,
- b) How to create quality, sustainable jobs,
- c) How to ensure low rates of taxation, and
- d) How to achieve a balanced budget.

We believe that eradicating poverty would be beneficial not only for those in poverty, but, in the words of the creators of the Senate report on poverty, eradication of poverty is “absolutely essential to a productive and expanding economy benefiting from the strengths and abilities of all its people.”

Increasing monies for education and skills development will result in a workforce that is qualified to fill existing jobs and will contribute to economic recovery and to the sustainability of industry. If parents had adequate, affordable and accessible child care, more workers would be able to participate in the workforce. A recent report states, “Research shows that every dollar invested in a child care program increases the GDP (Gross Domestic Product) by \$2.30, far ahead of stimulus from construction and manufacturing.”

Specific tax relief for those in the lower socio-economic brackets is an investment in their future that is well spent, enabling them to better afford adequate housing, decreasing their dependence on food banks and giving them greater economic stability. This in turn increases the country’s economic recovery.

It is vital to maintain a balanced budget while dealing with debt reduction. NCWC has a concern that, if this does not occur, the government will not have the resources to continue and maintain valuable social programs such as housing, child care, social welfare, etc.

In the area of debt reduction NCWC is concerned that longer-term targets for debt reduction could make the budgetary process less flexible, and thus less able to reflect changing needs in society or to address unforeseen economic or natural crises.

The process of gradually decreasing the national debt should continue, but the rate of re-payment should not be increased nor accelerated.

## **RECOMMENDATION #1: ERADICATE POVERTY**

**Although** Canada currently has no officially recognized poverty levels as they do in the U.S., the Low Income Cut Off (LICO) point is often accepted as our poverty level indicator. Using the LICO for this purpose, from 1960 to 1990, the poverty rate in Canada rose increasingly from single to double digits. In 1989 Parliament unanimously resolved to end child poverty by 2000; and in November 2009, the House of Commons reaffirmed — unanimously — its commitment to end poverty in Canada. **Now, in 2011, the National Council of Women of Canada strongly urges the government to eradicate poverty by enacting recommendations** from The House of Commons Report and The Senate Committee's "In From the Margins: A Call of Action on Poverty, Housing and Homelessness" Report.

The Senate Report states:

a) *"....poverty costs us all. Poverty expands healthcare costs, policing burdens and diminished educational outcomes. This in turn depresses productivity, labour force flexibility, life spans and economic expansion and social progress, all of which takes place at huge cost to taxpayers, federal and provincial treasuries and the robust potential of the Canadian consumer economy..... We believe that eradicating poverty and homelessness is not only the humane and decent priority of a civilized democracy, but absolutely essential to a productive and expanding economy benefiting from the strengths and abilities of all its people."*

b) *"To our distress, we found that decades of social policy making at different levels of government have had two possibly devastating results. First, when all programs are working, when the individual gets all possible income and social supports, the resulting income too often still maintains people in poverty ..... Second, at their worst, the existing policies and programs entrap people in poverty, creating unintended perverse effects which make it virtually impossible for too many people to escape reliance on income security programs and even homeless shelters."*

c) *".....some groups are particularly disadvantaged, in terms of income and housing inadequacy: unattached individuals, persons with disabilities, Aboriginal peoples, some newcomers to Canada .... and lone parents. They are over-represented among the poor, the homeless, high school dropouts and people with limited literacy skills."*

d) **"EMPLOYMENT IS NO LONGER A SURE ROUTE OUT OF POVERTY."**

e) *"The economic and social costs of doing nothing about poverty – more than \$20 billion – are more than we can afford."*

The Ontario Association of Food Banks estimates poverty costs Canadians up to \$30.5 billion in terms of health-care spending, crime and lost productivity.

The decision in 2011 by the federal government to replace the mandatory long-form census with a voluntary shortened survey will mean that reliable and inclusive data will not be available, particularly concerning the poor and marginalized. Sam Boshra, a former analyst for Statistics Canada, warns of “the poor and unemployed being undercounted” and the government possibly “reallocating resources away from programs targeting these disadvantaged groups.” Therefore, we believe it is imperative to reinstate the mandatory long-form census.

## **RECOMMENDATION #2: INCREASE SUPPORT FOR EDUCATION AND SKILLS DEVELOPMENT**

Education and skills development should be given increased emphasis, as they are of prime importance in developing self-sufficiency and greater equity. Investment in this area also results in an economy with higher productivity. Employers tell us that many jobs are going unfilled because applicants are not fully qualified for a particular position. The solution to this problem is for the government to encourage employers to hire and train workers by subsidizing the training as needed, from a few hours to a few days.

The Government can further encourage job creation by ensuring that adequate career guidance is available so that persons seeking to upgrade their skills or change careers are guided into jobs that have a future.

A major factor in training for a new job or pursuing higher education for many people is that of child care. “Federal funding would help develop much-needed child care and early education. It would also create jobs for women and would benefit the economy,” says Ad Hoc Coalition member Sue Delanoy, spokesperson for the Child Care Advocacy Association of Canada (CCAAC). “Recent research shows that every dollar invested in a child care program increases the GDP (Gross Domestic Product) by \$2.30, far ahead of stimulus from construction and manufacturing.”

## **RECOMMENDATION #3: ENSURE FAIR AND EQUITABLE RATES OF TAXATION**

*Tax relief has always* concerned our members: NCWC is most concerned with those segments of society which are often the most vulnerable and most at risk – lower income Canadians, the working poor, women, children and the

elderly. We strongly urge the government to increase income tax relief to the working poor, single-parent families, the disabled and the elderly.

Across-the-board tax cuts primarily benefit persons in higher income brackets. The “middle class” has gradually been eroded over the years, with more people joining the ‘working poor.’ Some effort has been made in the past to address this by increasing the basic amount of income individuals are allowed to receive on a tax-free basis. Basic exemptions have not kept pace with inflation. Raising these would put more money in the hands of the lower and middle classes and their spending would further bolster the Canadian economy. We would recommend that the federal working income tax benefit be increased to bring all Canadians with full-time employment up to the poverty line. (It is now capped at \$522 for an individual and \$1,044 for a family.)

Specific tax relief for those in the lower socio-economic brackets is an investment in their future that is well spent, enabling them to better afford adequate housing, decreasing their dependence on food banks and giving them greater economic stability.

However, NCWC strongly opposes any general reduction of income taxes which would threaten our social, health and education programs. NCWC believes that payroll taxes such as EI and CPP should not be reduced. These play a vital role in assuring a level of income that provides some semblance of independence and assures continuation of income in a varied set of circumstances.

For 118 years, the National Council of Women has worked to improve the quality of life for women, children and communities in Canada through education and advocacy. As members of Parliament, you are working toward the same goals through legislation and regulation. NCWC is confident that we can work together to create a better Canada for all Canadians.

## APPENDIX

### **THE NATIONAL COUNCIL OF WOMEN OF CANADA**

The National Council of Women of Canada (NCWC) was founded on October 27, 1893. A Coat of Arms was granted to NCWC in 1993 as part of its Centennial celebrations. NCWC was incorporated by an Act of Parliament in 1914, and has been designated by the Government of Canada as being of historical significance for its role in Canadian women's history. In August 2005, Parks Canada and the Historical Site and Monuments Board of Canada installed a National Historic Site commemorative plaque in the Allen Gardens, in Toronto, where the founding meeting of the National Council of Women of Canada was held.

This NGO (non-governmental organization) is non-profit and non-partisan, representing a very large section of our population, with diverse occupations, languages, origins and cultures. It is composed of 15 local councils, 1 Study Group, 6 provincial councils and 25 nationally organized societies.

NCWC policy is formulated at the grassroots level. New resolutions, policy additions and changes are proposed, thoroughly researched, circulated and voted upon by the general membership. Council members may speak only on existing policy when contacting government, the media and the public. Thus, this brief is the united voice of the federated membership of the National Council of Women of Canada.

NCWC, with the exception of one part-time employee, is entirely staffed by volunteers who often use their own after-tax dollars to help fund NCWC's work. In order to ensure broad grassroots participation, membership dues are purposely low. This brief is submitted, therefore, without the cost projections which would lend significant weight to our policy recommendations, as funds are not available.

NCWC holds Consultative Status (Category II) with the Economic and Social Council of the United Nations (ECOSOC).

In addition, NCWC is a federate of the International Council of Women (ICW), an international non-governmental organization holding Consultative Status (Category I) with ECOSOC. Founded in 1888, ICW is composed of National Councils in 74 countries, bringing together women of all nations, races, creeds and cultural traditions. NCWC is also a Participating Non-Governmental Organization working with the Women's Commission of the Organization of American States.