

Women and the Economy

The economy has taken a front and centre position in the 2008 campaign. There are no black and white answers to fully illustrate which party's economic policies will be most beneficial to women. Economic platforms are broad and can be unwieldy to many. Please find below some points to consider when supporting a political party and how their economic policies may impact you and your family.

Investing In Social Programs Benefits Women

Adequate funding for social programs, including child care, housing, education, health care and non-profit organizations, ensures that the burden for providing these services does not fall disproportionately on women's shoulders.

Tax Cuts Don't Benefit Women

Tax cuts don't help 38% of women because their incomes are so low they don't pay taxes. Women benefit far less from tax cuts than men because women who do pay taxes still earn far less than their male counterparts: an average of 62% (an average of \$26,900 annually compared \$43,700 for men). Over two thirds of women in Canada fall into the lowest tax bracket. Recent tax cuts for this tax bracket represent only 1.5% of total tax cuts. Refundable tax credits and benefits are of more advantage to women than non-refundable tax credits as they pay a cash benefit to the tax filer. However, they do not offer the same advantageous returns as sound social investment.

Income Splitting

Splitting income means sharing tax burden with a spouse. Higher income earners (typically men) can shift some of their tax burden to the lower income earner (typically women). This is a very expensive measure - upwards of \$5 billion a year in lost tax revenues for full income splitting - and

offers no benefits to single people including single parents, couples where both earners are in the same tax bracket, or couples whose incomes are so low they do not have a heavy tax burden. This plan offers the most benefit to high income earners. The large tax savings resulting from income splitting policies can actually discourage women from working outside the home. In some cases, the family has a higher net income if that woman provides unpaid care work at home than if she does paid work outside the home.

Flat Taxes and Women

Canada has a progressive income tax system - those who earn more pay more taxes, while those who earn less have less tax liability. The progressive system is fairer than a flat tax. "Flat taxes" are taxes that remain exactly the same despite income level (examples: GST, PST, HST, gas taxes, carbon taxes). Flat taxes actually force people with lower incomes to pay a higher percentage of those incomes in taxes. Because the majority of Canadians living at or below the poverty line are women and their children, flat taxes disproportionately disadvantage women in Canada.

The Employment Insurance System

Only one in three unemployed women collects EI benefits. Although we pay into EI, most women don't qualify for benefits. Even when we do qualify, many women simply can't afford to go on EI: 70% of part-time workers are women and almost two thirds of minimum wage earners in Canada are women. With wages far below the poverty line already, many women can't afford to live on 55% of their salary, even for a short period of time.

* This analysis is based on public information available as of September 10, 2008.

- Q.** How will your party address income inequality in Canada and the increasing feminization of poverty?
- Q.** How will your party ensure that its taxation policies will not disproportionately disadvantage women?
- Q.** How will your party improve access and benefits for women under the Employment Insurance system?