

WOMEN AND POVERTY



The *Beijing Platform for Action* (PfA) identifies “the persistent and increasing burden of poverty on women” as a critical area of concern. The PfA contains strategic objectives and actions to: adopt macroeconomic and development strategies that address the needs and efforts of women living in poverty; revise laws and practices to ensure access to resources, including savings and credit mechanisms; and, develop gender-based methodologies to address the feminization of poverty.

PATTERNS AND TRENDS*

- Low-income rates (using after tax LICO¹) among different populations in 2002 include:
 - 2.7% of elderly families
 - 3.0% of two-earner families with children
 - 5.4% of two-parent families with children
 - 6.0% of children in two-parent families
 - 8.8% of men overall
 - 10.1% of women overall
 - 11% of male lone parents
 - 14% of unattached older men
 - 20% of unattached older women
 - 25% of unattached individuals under 65
 - 35% of female lone parents
 - 39% of children in female lone parent families
- From 1996 to 2002, there was a steady decrease in low-income rates in almost all categories. For female lone parents, a five-year decline was interrupted in 2002 with an increase to 35% from 30% in 2001.
- In 2001, compared to Canadian women overall, immigrant women had poverty rates five percentage points higher, visible minority women’s rates were almost double and the rates for Aboriginal women were more than double.
- The National Council of Welfare’s (NCW) *Poverty Profile* reports show that lone parents living in poverty have incomes far below the poverty line and experience a longer duration of poverty than other population groups.
- Across Canada, outside the northern territories, the welfare income of a lone parent with one child, in 2003, is estimated by the NCW to range from \$11,897 to \$15,056.
- A number of studies of lone mothers on social assistance have found indications of a high prevalence of past and ongoing experiences of violence against women and of depression linked to socio-economic disadvantage and time stress.
- Aboriginal women are much more likely to be lone parents than non-Aboriginal women, 15% compared to 8%, and twice as likely to be mothers before they are 25. Their poverty rates are also much higher.
- Aboriginal women living on-reserve are more likely to live in poverty than those off-reserve.
- From 1999 to 2002, low income, after tax, among women with disabilities aged 16-64 declined from 20.0% to 16.1%, and the rate for men declined from 17.0% to 12.9%. For people 65 and older, the rate for women was 11.6% compared to 5.2% for men, both up slightly since 1999.
- Women who have a child with a disability are far less likely than other mothers to be able to participate in the paid labour force.
- In 2003, 27,000 heads of families with no spouse worked for minimum wages or less and almost all had at least one child under 18 to support.

TOWARDS EQUALITY

Many of the policies and programs identified in the fact sheets on the Economy and Education and Training contribute to improving women’s economic security and reduce their vulnerability to poverty.

In addition, there are a number of federal initiatives that specifically address the needs and efforts of low-income women:

- child support reforms of 1997 are particularly important to women, as they tend to be the majority of custodial parents upon separation and divorce. Child support guidelines that ensure fairer, more predictable support amounts and improvements to enforcement and the tax treatment of child support can help lone parents meet the income and care needs of their children;
- since 1998, the Canada Child Tax Benefit (CCTB) has included a National Child Benefit Supplement to provide additional monthly benefits to low-income families with children. The maximum benefit payment for a single parent with a pre-school child increased from \$1,838 in 1998 to \$2,864 in 2003-04. The maximum for a family of four with two school-age children was \$5,055 in 2003-04. An important feature of the CCTB is that the payment is generally made to mothers, which increases women's access to, and control over, household resources;
- the Employment Insurance Family Supplement provides additional help to low-income families claiming benefits by increasing the income replacement rate from 55% to a maximum of 80% of insurable earnings;
- the Guaranteed Income Supplement (GIS) provides support to seniors with limited pension, savings or other retirement income beyond Old Age Security. This is especially important to women. The GIS also supports women's access to, and control over, resources by providing an equal cheque to each spouse in a couple that is eligible for the GIS.

RECENT INITIATIVES

Recent examples of federal initiatives include:

- The Government of Canada has committed to increases in the CCTB (to \$10 billion by 2007, over 100% increase since 1996).
- The Government of Canada's commitment to put in place the foundations of a national early learning and child care system is important to

low-income mothers and critical to lone parents who face the greatest challenges in balancing employment and the developmental and care needs of their children.

- The federal government has also committed to increase the GIS for low-income seniors.

Also, please note that *Women in Canada 2005: a gender-based statistical report* is being developed by Statistics Canada for publication in the fall of 2005.

ⁱ This fact sheet uses Statistics Canada's low-income cutoffs (LICOs). They are not official poverty lines but reflect an income level at which an individual or family is likely to spend a significantly larger portion of their income on food, clothing and shelter than the average. After-tax LICOs reflect the redistributive impact of Canada's tax/transfer system and recognize that people purchase necessities with after-tax dollars.