



Women & Federal Budget 2021

COVID-19 pandemic has hit everyone, however, there's sufficient evidence that certain communities have been disproportionately impacted by the pandemic. The CIBC report¹ illustrates the asymmetrical nature of the current double-dip recession due to COVID. All the jobs lost in 2020 were among workers that earned below average wages, with the lowest wage quartile seeing the largest decline. However, recent studies show, women have been hit particularly hard in Canada, especially lower-income women experiencing intersecting inequalities based on race, gender identity, class, disability, immigration status, and other social identities.

Some facts from the CCPA study²:

- Female labour force participation rate of women aged 15–64 years fell from 75.6% to 68.5%—a level not seen in over 40 years. It rebounded, reaching 74.8% in August, and has since stalled.
- Between February and April 2020, 620,000 mothers with children 12 and under lost working hours. By August 2020, fathers had effectively recouped all of their employment losses, while 12% of mothers who were working in February 2020 were still without work or working less than half of their regular hours.
- By December single-parent mothers with children under 6 were working -38.5% fewer hours than in February, while single mothers with school-aged children (6–12 years) were working -11.7% fewer hours.
- Half of all low-wage workers earning \$14 an hour or less were laid off or lost the majority of their hours between February and April. This included 58% of low-wage women and 45% of men in this earnings bracket.

Hence, in the upcoming Federal Budget 2021 as well as the recovery plans under development nationally, provincially and locally, it is critical that issues that specifically women are given urgent attention.

1. Women & Predatory lending

While the proportion of women benefiting from EI has gone up owing to temporary changes introduced by the federal government and some women are also getting the new CRB, these are time bound. Moreover, many women are still falling through the cracks. The data also shows that more women are likely to carry the debt, especially unsecured debt in the form of predatory loans.

¹ CIBC. (2021). *Canadian labour market dichotomy — deeper than perceived*
https://economics.cibccm.com/economicsweb/cds?ID=12030&TYPE=EC_PDF

² CCPA. (2021). *Women, work and COVID-19*. Available at:
<https://www.policyalternatives.ca/publications/reports/women-work-and-covid19>



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A 2020 CCPA report³ shows that lone-parent households were almost four times more likely than two-parent households to use predatory loans, with female-led households more at risk than male-led households. Women are also much more likely to be lone parents (either single or divorced). Another study, by Hoyes in 2018⁴ found that 42% of female debtors had at least one dependent compared to just 29% of male debtors. On average, 26% of women filing insolvency in 2018 were lone-parents compared to just 8% of male debtors. Moreover, the income gap between women and men increases women's reliance on debt to make ends meet.

With respect to predatory loans, by 2018, almost two in five women debtors (38%) carried at least one payday loan at the time of their insolvency although an overwhelming 78% owed multiple payday loan lenders when they filed. 12% of all women filing bankruptcy were 60 years old and over.

The Industry is Transitioning from Payday Loans to Installment Loans.

ACORN Canada conducted a study in 2020⁵ which shows that as compared to 2016 when 11% of our members had a predatory installment loan, that number has gone up to 45%. With a bleak employment scenario especially for women in the coming months, it would not be surprising to see more and more turning to predatory installment loans that charge interest rates at 60% plus other products like insurance fees.

Policy recommendations:

The federal government needs to take these urgent actions.

- Lower the Criminal Code interest rate from 60% to 30%.
- Create a Federal Anti-predatory Lending Strategy
- Mandate banks to create alternative credit products that can provide emergency loans at low interest rates.
- Lower the NSF fees from \$45 to \$10.

2. Women & Internet

ACORN members have been fighting for affordable, reliable internet of all for many years now. Nearly 20% of people in Canada do not have broadband internet access at home while the rest of us suffer with low speeds and high prices – some of the highest in the world (CRTC, 2015)⁶.

³ CCPA. (2020). *Swimming with the sharks*. Available at <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office,%20Ontario%20Office/2020/04/Swimming%20with%20the%20sharks.pdf>

⁴ Hoyes, M. (2018). Annual bankruptcy study, *Women, Debt and Bankruptcy*. Available at: <https://www.hoyes.com/press/joe-debtor/women-and-bankruptcy/>

⁵ ACORN Canada. (2021). *A study on high interest loans*. Available at <https://acorncanada.org/resource/national-report-high-interest-loans>

⁶ CRTC 2015-134: Submission of Ellis & Winseck. Available at: <https://services.crtc.gc.ca/pub/ListeInterventionList/Documents.aspx?ID=224008&en=2015-134&dt=i&lang=e&S=C&PA=t&PT=nc&PST=a>



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In a study conducted by ACORN in 2019⁷, a quarter of respondents told us they have sacrificed food in order to pay for internet services and almost one third have made multiple sacrifices. The fact that women are over-represented among those living below the poverty line in Canada; with poverty rates significantly higher for some groups of women such as single women, women with disabilities and women age 65 & above, this means that many women are having to make sacrifices when it comes to accessing the internet (CCPA & Oxfam, 2016).

ACORN members won the Federal Connecting Families program in 2018, however, the program falls short on several counts:

- Uptake of the program is dismal at 5% of some low-income parents. Below to 2% when you add in all 3.4 million who may need the program
- The voluntary program targets ONLY some low-income families with children. There were 3.4 million people below the official poverty line (Canada Market Based Measure) in 2017.
- Cap of 220,000 families. Only those families are eligible who get maximum childcare benefit.
- Eligibility is massively restricted to only those who get maximum childcare benefit.
- The speed is too low - some families have opted out because if they have more than one child, the internet at this speed does not work.
- Some families have also told us that when they finally got the letter, the telecom company asked way more than 10 dollars per month which defeats the purpose of the program.
- Companies like Eastlink are Free to opt-out.

The government needs to take some immediate measures to ensure that all low-income people and fixed income seniors have access to affordable, high speed internet.

Policy recommendations:

As an immediate measure, we are demanding the following:

As an immediate measure during the pandemic and for 6 months after, we are demanding that the federal government immediately create a \$50 a month “Canadian Broadband Benefit” (CBB) during the remainder of the COVID-19 emergency. The CBB should be extended to all “low-income Canadians”; “fixed-income seniors” and those “Canadians with job or income loss due to COVID-19”.

The Canada Broadband Benefit must be instituted as soon as possible and backdated to 1 January 2021 and run to six months after the official declarations of pandemic emergency have been revoked, in part to make up for full ISP pricing for those months from July to December, during the pandemic. A lot of existing relief and support programs could be leveraged to determine the eligibility of people.

Long term measure: The federal government should provide affordable, high speed internet access by **expanding the Connecting Families Program and** providing all “low-income Canadians” and “fixed-income seniors” \$10 a month “retail Internet access services”. The speed of the internet should be 50/10.

⁷ ACORN Canada. (2019). *Internet is an essential service*. Available at <https://acorncanada.org/resource/internet-essential-service>



3. Women & Housing

A report by Women's National Housing and Homelessness Network in 2020 reported that the number of women, girls, and gender diverse peoples experiencing homelessness in Canada is dramatically underestimated. Moreover, lack of women-specific housing and supports drive women into emergency shelters and services that may not recognize them as homeless, are not designed to respond to their needs, and are often underfunded and overwhelmed. This results in many women remaining trapped in traumatizing situations of homelessness and violence (Schwan et al., 2020)⁸.

The National Housing Strategy Act (NHTA) recognizes Canada's commitment to the right to housing for all. In 2019, the federal government also committed to allocate at least 25% of the National Housing Strategy investments to address the distinct needs of women and girls.

As we have seen during the pandemic, tens of thousands of individuals are facing eviction or are at the risk of eviction. While there was a moratorium on evictions by most provinces last year when the pandemic began, the same were lifted and the subsequent moratoriums have been much weaker on protecting tenants from getting evicted. The fact that so many more women have lost their jobs or are facing reduced hours of work and given the disproportionate burden of unpaid work, it is highly likely that many more individuals, especially women are behind on their rent and have accumulated huge rental arrears.

This is a systemic issue resulting in potentially widespread violations of the right to housing, and as such should be addressed in a manner consistent with the *National Housing Strategy Act*. Additionally, the federal government has not ensured meaningful consultation with affected residential tenants, nor has it ensured that all alternative means are explored so that eviction is only employed as a last resort, that no one is evicted into homelessness and that no one is evicted where this would result in the violation of other human rights or undermine the protection of the family – all of which are required by the NHTA.

Commercial tenancies also fall under provincial/territorial jurisdiction and this has not stopped the federal government from providing direct relief to commercial tenants and landlords, initially through the Canadian Emergency Commercial Rent (CECRA) and then through the Canada Emergency Rent Subsidy (CERS). The focus on commercial tenants instead of the most vulnerable tenants who may lose their homes is inconsistent with the obligation to prioritize the needs of those who are most vulnerable and to ensure the right to housing as a priority in the allocation of resources.

Policy recommendations:

- We therefore demand that the federal government urgently initiates a Rent Relief Program to help people in rent debt. This will be a retroactive rent subsidy to ensure that rent would make up the

⁸ Schwan, K., Versteegh, A., Perri, M., Caplan, R., Baig, K., Dej, E., Jenkinson, J., Brais, H., Eiboff, F., & Pahlevan Chaleshtari, T. (2020). *The State of Women's Housing Need & Homelessness in Canada: Key Findings*. Hache, A., Nelson, A., Kratochvil, E., & Malenfant, J. (Eds). Toronto, ON: Canadian Observatory on Homelessness Press. Available at <http://womenshomelessness.ca/wp-content/uploads/Key-Findings-State-of-Womens-Homelessness.pdf>



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same percentage of income in 2020 as in 2019, prior to the pandemic. For tenants in arrears, some or all of the benefit can be directed to their landlords to cover arrears owing and prevent any eviction.

- We are also demanding that the federal government close the tax loophole and rein in the Real Estate Investment Trusts or REITs that are destroying affordable housing. The government must stop giving huge tax exemptions to REITs.
- Also, the fact that REITs are gobbling up massive swathes of land, we need CMHC to create an Acquisitions Fund that would enable non-profit, co-op and land trust organizations to purchase at risk rental buildings.