

Women are essential to the economy: Now is the time for action to close the gender pay gap^[1]

Open letter to Premier Doug Ford on Equal Pay Day 2021

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EXCERPTS

April 6, 2021

Hon. Premier Doug Ford

Room 281, Legislative Building, Queen's Park T

oronto, ON M7A 1A1

Dear Mr. Premier:

EQUAL PAY DAY – WEDNESDAY APRIL 7, 2021

Women are essential to the economy. Now is the time for action to close the gender pay gap.

The Equal Pay Coalition unites more than 40 women's groups, trade unions, community groups and business organizations and has been at the forefront of advocating for women's economic security since 1976.

We write to request that you, the Minister of Finance, Minister of Labour and Minister Responsible for Children's and Women's Issues take immediate action on Equal Pay Day – Wednesday April 7, 2021 to put women's work at the centre of Ontario's economic recovery.

The pandemic brutally and tragically shone a spotlight on the fault lines that divide our society and the many dynamics of discrimination that drive women's poverty, unequal pay and economic instability. Each successive wave of the pandemic has deepened this inequality. Racialized women – disproportionately doing low-wage work that requires close physical interactions - are particularly hard hit.

The provincial government must and can build back better. We call on you to commit to take active steps now to close the gender pay gap.

Ontario's March 2021 budget announcements did not respond to women's immediate needs during this pandemic or lay the foundation for a more equal future. The budget does not even restore protections against gender discrimination that the government removed in 2019.

The Equal Pay Coalition is demanding a feminist economic recovery plan that addresses the gendered impact of the pandemic and that leaves no one behind.

The 2021 Budget documents acknowledged that,

"Women, racialized communities, lower income workers and employees in industries like hospitality and tourism have been disproportionately affected." (p. 65) "[W]omen in the workforce have been disproportionately affected, as many of the sectors that suffered heavy job losses and are experiencing a slower recovery are female dominated. Supporting increased participation by women in the workforce will be critical to Ontario's economic recovery, and having access to affordable child care will be a key factor in enabling that participation" (p. 71)

"Women, in particular, have been disproportionately affected. The statistics are indisputable. For example, while employment among men has dropped by 3.3 per cent during COVID-19, it is down by nearly five per cent for women. This is partly because women are disproportionately represented in the jobs that have been most affected by the necessary public health restrictions. The challenges have been made worse by the high cost and lack of access to child care spaces. While this impacts all parents, mothers in particular, end up paying a high price. ... [T]he spike in domestic violence has largely impacted women" (p. 117)

But despite noting the disproportionately gendered impact of the pandemic, the March 2021 budget failed to include a plan to address

these harms.

The budget also failed to fully assess the significant additional unpaid care work and home schooling that the pandemic demands which has disproportionately been borne by women.

Instead of an economic recovery plan that helps women, the Ontario government announced a Task Force to ensure “inclusive” economic growth is achieved. When male-dominated industries are hit by a recession, governments respond with physical infrastructure spending, industry bailouts and immediate, concrete economic plans for recovery. In this pandemic-induced recession where female-dominated sectors are hit hardest, proposing a Task Force is not a policy response; it is an insult. Women have suffered the most profound losses which are rolling back generations of gains. Women are experiencing the greatest difficulties emerging from the crisis. Women require bold and clear action directed at the gender pay gap.

The notion that a “Task Force” is an adequate response is even more insulting after the analysis conducted by the 2016 Consultation on the Gender Wage Gap and the Steering Committee's report. To be clear, the other monies announced in the 2021 Budget were a mere confirmation of existing budget allocations in the system. The alleged investment of \$18.2 million over three years to help address violence against First Nations, Inuit and Métis women and girls was inadequate and does not meet the Calls for Justice in the Commission on Missing and Murdered Indigenous Women and Girls Final Report.

Women do not need more study of the issues. Women have been releasing reports with concrete policy solutions since the early days of the pandemic. Women want action which puts a gender-based analysis at the core of the recovery plan; not promises of a Task Force that will report at some undefined point in the future when an election is looming in 2022.

In the short term to respond to the pandemic and close the gender pay gap, the Coalition demands the following urgent action:

1. Legislate 10 Paid Sick Days as permanent protections in the Employment Standards Act, along with an additional legislated 14 Paid Sick Days to be available during a public health emergency. Immediately implement isolation pay for workers who must enter quarantine during this pandemic.
2. Implement a fully funded public, accessible child care system with decent pay and decent work for child care workers. Immediately reverse the \$49 million in planned cuts to child care and increase general operating funding by \$500 million to stabilize the sector. Partner with the federal government to transition to a publicly funded child care system.
3. Rebuild the economy by investing in social infrastructure that supports communities through community and social services like long-term care, affordable housing, food security, violence against women and gender-based violence services, arts and culture infrastructure, and recreational facilities.
4. Increase the Minimum Wage to a Living Wage and deliver immediate pay equity for all women in the public and broader public sectors.
5. Fully implement the Pay Transparency Act effective no later than May 15, 2021.

The Ontario Government introduced its first Equal Pay Day on April 10, 2014 to join the conversation with many countries globally on how to close the gender pay gap. Equal Pay Day marks how far into the new year the average woman must work to earn what men earned by the end of last year.

The gender pay gap is a human rights crisis of staggering proportions in this province. The 2016 Census data on Ontario women's annual earnings show they face these deficits:

- Indigenous women: 43% gender pay gap
- Racialized women: 38% gender pay gap
- Immigrant women: 34% gender pay gap
- On average, Ontario women face a 29.3% gender pay gap.

The pandemic has only made these gaps worse.

The provincial government's own expert analysis in 2016 demonstrated that the harm to Ontario's economy from the gender pay gap is profound. The Ontario government's 2016 Gender Wage Gap Steering Committee Final Report cited the Deloitte report that

“a qualified working woman who has [the] same socio-economic and demographic characteristics (e.g., education level, age, marital status), and experience in the workplace (e.g., job status, occupation, and sector) as a man, on average receives \$7,200 less pay per year. This amounts to \$18 billion of foregone income per year for all working women in Ontario, which translates to about 2.5% of Ontario's Gross Domestic Product. To put this into context, the motor vehicle and parts industries together account for 2.5% of the province's 2015 GDP.”

The report concluded that closing the gender wage gap in Ontario would increase revenues from personal and sales tax by \$2.6 billion each year and decrease government expenditures on social assistance, tax credits and child benefits by \$103 million each year. Closing the gender pay gap just makes basic economic sense.

Women's work powers the Ontario economy. A clear and direct focus is required which builds social protections to (i) create the conditions for diverse women to engage in decent, paid employment and (ii) redress women's structural disadvantages so that all forms of care responsibilities are fully recognized and more fairly distributed.

Closing the gender pay gap must be one of the key building blocks for forging a fair, productive and sustainable economy.

It is time to put all Ontario women on target for prosperity rather than poverty.

We look forward to hearing your response at your earliest convenience regarding your commitment to specific efforts you will make to close the gender pay gap.

Yours truly,

Fay Farday and Jan Borowy

Co-Chairs, Ontario Equal Pay Coalition

c. Hon. Peter Bethlenfalvy, Minister of Finance, peter.bethlenfalvy@pc.ola.org [5]

Hon. Monte McNaughton, Minister of Labour, Training and Skills Development, monte.mcnaughtonco@pc.ola.org [6]

Hon. Todd Smith, Minister of Children, Community and Social Services, todd.smithco@pc.ola.org [7]

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