



Canadian  
Chamber of  
Commerce

Chambre de  
Commerce  
du Canada

Council for  
Women's  
Advocacy



## THE CRISIS CONTINUES:

### 5 THINGS THE FEDERAL GOVERNMENT CAN DO RIGHT NOW TO SUPPORT WOMEN AND FOSTER ECONOMIC GROWTH IN RESPONSE TO THE COVID-19 PANDEMIC

As we commemorate International Women's Day, we are also marking one year of the pandemic in Canada.

COVID-19 continues to disproportionately affect women in the workforce as employees and business-owners / entrepreneurs.

Ensuring women have opportunities to fully participate in the recovery is essential for widespread job creation and sustained economic growth.

This is not a women's issue; it is an economic issue. The Canadian Chamber's Council for Women's Advocacy is calling on the federal government to immediately realize the five recommendations below to support women through the crisis, foster the foundation for inclusive recovery and ensure sustained economic growth. The business community stands together as willing partners in moving these recommendations forward.

#### **Facilitate safe, reliable and affordable childcare:**

- 1) **Work with provinces, territories and stakeholders to ensure schools and daycares remain open through subsequent waves across the country.** There needs to be an increased focus on rapid testing and turnaround times, alongside other technological supports including robust tracing.
- 2) **The federal government should immediately establish an inclusive Task Force to focus on childcare capacity and support through the ongoing crisis.** The Task Force can support data-driven and parent-focused decisions on where (e.g. to provinces, territories, childcare providers, parents) and in what form funding (e.g. program dollars, grants, tax incentives) should flow. Those who receive funds will need to be held accountable.

### Support women's SME participation and entrepreneurship:

- 3) **Remove tax barriers for childcare.** Currently, childcare expenses can only be deducted against the employment income of the family's lower income earner. While SME-owners are often the lower (or only) income earner, they usually choose to pay themselves dividends, rather than a salary. Dividends are currently ineligible income to claim against childcare expenses. In addition, female-owned businesses tend to be smaller, have fewer employees and are less likely to be incorporated therefore lying outside of traditional legal definitions of businesses.

To support women and SME owners, the federal government should immediately consider the following options:

- (i) enhance the deduction for childcare expenses and remove the requirement that only the lower income spouse may apply the deduction;
  - (ii) permit the owners of Canadian Controlled Private Corporations (CCPCs) receiving non-eligible dividend income to claim child care expenses against that income;
  - (iii) expand the eligibility of SME owners who can claim child care expenses; and
  - (iv) make childcare an eligible business deduction.
- 4) **Provide enhanced opportunities for women-owned businesses to meaningfully access public procurement contracts, including federal government diversity targets specifically for women-owned businesses and female workforces.**

### Support job pivots for women:

- 5) We continue to experience a k-shaped crisis, both in terms of the sectors and individuals disproportionately affected by the pandemic. Women dominate the workforce in sectors that have been most affected (retail, food services, culture/recreation, human services) and are also leaving the workforce or dropping in labour productivity due to domestic burdens and other care responsibilities. Women who are single mothers, in low-wage jobs and/or from marginalized populations (racialized, immigrant, gender diverse) have been further negatively affected through the crisis.

**Training, upskilling, reskilling and job transitions will be important through the coming months and into recovery. The federal government needs to apply a gender / GBA+ perspective to initiatives it develops and funds.** We need to focus on women displaced by the pandemic. Through rigorous labour market analysis, we must ensure that they are advancing into high-demand sectors and jobs therein. We also need to tailor upskilling and reskilling training to the realities of women's learning styles and time availabilities. We also must look at navigation tools that help women, and all Canadians and businesses, navigate the tools and funding options available.