

CONSULTATION PAPER ASSUMPTIONS

As recognized in the Consultation Paper, Canada has undergone change since the Canada Pension Plan was first introduced. When the CPP was implemented in 1966, family structure and participation of women in the paid labour force was far different from today. The increased proportion of families dependent on the employment of both spouses and the increase in the number of one-parent families have both contributed to the need for CPP reform.

Unlike the situation two decades ago, a majority of women, both married and unmarried, are in the work force. The CPP, however, was designed to best serve the needs of the "traditional" two parent, one-earner family. In 1967, of Canadian families with children living at home, 67.2% had only one earner. By 1985, this had dropped to 32.7%. In contrast, the proportion on "non-elderly couples"² with children living at home in which both spouses worked had risen from 31.2% to 64.2% during the same period. The proportion of one-parent families, especially headed by women, has also grown, from 6.9% in 1967 to 13% by 1985.

Not only are women now more likely to participate in the paid work force, but all families are increasingly more dependent on the earnings of women, even the "traditional" husband/wife family. As can be seen in Table 3, women now contribute, as a percentage of family income, 2½ times more income to the traditional two partner family than in 1967.

Table 3

Percentage of total husband/wife
income contributed by the wife, considering the presence of children.

Presence of children	1967	1985
No children	19.1%	28.3%
Preschool only	9.7	27.0
School age only	9.6	24.8
Preschool and school age	4.6	21.5
Average	10.9	26.3

Source: Statistics Canada

Thus, for most families, including those with children, the earnings of women have become increasingly important.

The Consultation Paper bases its recommended reforms in large part on this increased labour force participation by women:

² Statistics Canada defines a "non-elderly couple" as a husband/wife family in which the male spouse is under age 65.