
Women as Consumers

The elimination of tariffs under the Agreement will provide Canadian consumers with more competitively priced goods and a greater selection of higher quality products. More competitive prices in Canada will result from duty-free access to U.S. consumer products and the improved efficiency of Canadian industry resulting from higher levels of output and increased specialization associated with free access to the very large U.S. market. Consumers will save as a result of a more competitive marketplace.

The Department of Consumer and Corporate Affairs has estimated the magnitude of these savings to consumers, especially to specific groups of women¹. These estimates are based upon the complete elimination of tariffs which will be achieved with full implementation of the Agreement in 1998. Specific calculations are provided for low- and higher-income families as well as for low-income families headed by a single non-working mother, low-income elderly single women and single working women. Overall estimates are also provided for the annual savings middle-income parents could expect on expenditures related to the birth of a first child.

Savings in Consumer Expenditures

The estimated average annual savings, once the Agreement is fully implemented, are about \$325 (\$255 to \$395) for all low-income households. On a per capita

basis, the estimate of savings for low-income families is approximately \$119 to \$185. As a proportion of income, savings for these low-income households will be 2.4 per cent to 3.7 per cent. The estimated annual savings for the average middle- and high-income households are about \$800 (\$612 to \$949) or \$215 to \$334 on a per capita basis. As a proportion of income, these savings will range from 1.4 per cent to 2.2 per cent (see Tables 5.1 and 5.3).

The average income for families headed by single non-working women was \$10,140 in 1986. Because the average income and consumption patterns of this group and those of all low-income families are almost identical, the consumption patterns and consumer savings from the Agreement will be similar. Therefore, the average single non-working mother can expect her purchasing power to increase by about \$325 (\$255 to \$395) once the tariffs are completely phased out.

For low-income elderly single women, estimates of the impact of the Agreement show an annual saving of \$155 to \$240, or 2.0 per cent to 3.2 per cent of income (see Tables 5.2 and 5.3). This estimate of consumer savings for low-income elderly single women is comparable to the per capita estimates for all other households.

¹The results presented here are based on the same data sources and methodology used in the report *The Canada-U.S. Free Trade Agreement and Canadian Consumers: An Assessment*. The reader is referred to that document, particularly Appendix B, for a discussion of the major assumptions underlying the analysis.