



Access to child care is fundamental to women's economic security in Canada: What needs to happen

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Summary

This brief takes as a starting point that 21st century women's economic security is closely linked to decently paid employment. Thus, access to child care is fundamental to advancing women's economic security in Canada as it is evident that if mothers of young children are to be in the workforce, affordable care for their children is needed to cover their absence. Without child care, women with young children are less likely to be employed, undermining their own economic security as well as their families. This is not only so for low income women but for modest, middle and even high income women.

Other witnesses before this committee have offered considerable detail about the strong links between accessible child care and women's economic security. Thus, this brief will discuss *how* to move child care forward to support women's economic security better than it now does.

Two key characteristics of Canada's child care situation are of particular relevance to women's economic security: a) the severe space shortages in every province/territory, and b) sky-high parent fees in most of Canada that prevent many women and families from using a regulated space even if they can find one. These are both directly linked to structural aspects of Canadian child care policy and both are amenable to public policy solutions, as evidence from Quebec and other countries shows. Further, quality is a third main child care element pertinent to children and society as well as to mothers/parents. As considerable research² shows that child care quality is key in determining whether it is beneficial or negative for children, quality--as well as the availability of spaces and whether they are affordable-- needs to be taken into account.

The brief argues that Canada needs to develop a much improved child care situation based on the best evidence. Thus, to be successful, this development needs to be supported both by substantial public funding and by robust, well-designed policy at both federal and provincial/territorial levels. Without both of these--much more money and much more policy--real economic security will continue to elusive for women in Canada.

Recommendations

The federal government should put in place its 2015 platform promise “to deliver affordable, high-quality, flexible, and fully inclusive child care for Canadian families” .

This should include a robust provincial/ territorial/Indigenous policy framework (s) based on the assumptions that child care is a public good and a human right for both women and children and that policy is based on the best available evidence.

This requires long-term sustained funding that ramps up predictably over time (10 or 12 years) to *at least* 1% of GDP³ for developing and operating the child care system.

It should also include shared system-building collaborative work among federal/provincial/ territorial/local governments/Indigenous communities/key stakeholder groups such as educators, researchers, service providers and parents, for example, developing a national child care workforce strategy.

² Shonkoff & Phillips, pg. 303 <https://www.ncbi.nlm.nih.gov/books/NBK225555>

³ The common international benchmark for public spending for ECEC for 0-5 year olds, see UNICEF, 2008 http://www.unicef.or.jp/library/pdf/lab0_rc8.pdf

As the labour force participation of mothers continues to rise over the next decade and the generation of women who made homemaking a career passes into retirement, the lack of quality licensed child care services to meet the growing demand will pose greater and greater problems for Canadian families (Status of Women Canada, *Report of the Task Force on Child Care*, 1986: 17).

Introduction

This brief begins with the premise that high quality child care provides both early childhood education and "care" in parents' absence. The international literature shows that if child care is well designed and high quality, it can simultaneously address four main goals:

1. Ensuring that women who are mothers can participate in employment, training, education and their own life-long learning;
2. Providing equity for diverse groups, particularly women, children with disabilities and those who are disadvantaged;
3. Providing a foundation for life-long learning and healthy child development;
4. Fostering social integration, social solidarity and social cohesion for groups such as newcomers to Canada.

The brief is primarily concerned with the first two goals, both of which are about women's economic security.

The current child care situation across Canada

Today Canada's child care situation demonstrably fails to meet the needs of most Canadian women and families. In the absence of Canada-wide child care policy and adequate federal funding, high quality child care remains limited in supply and financially out of reach for a majority of women and families in all regions of Canada.

In the absence of national policy or role, the provinces/territories have each developed policies that treat child care relatively similar ways but are generally less than effective for meeting the range of needs. There have been some commendable initiatives and all jurisdictions acknowledge that modern families need child care and that high quality child care benefits children "educationally". None, however, has put in place a comprehensive "joined-up" plan for child care provision that supports women and families and young children's development at one and the same time.

Today's young women struggle with the same limited child care options as did their mothers. Inadequate public funding and weak public policy are closely linked to child care space shortages and to high fees that put quality child care out of most parents' reach⁴. Fee subsidy schemes developed in the 1970s claim to make child care affordable, they fail to do this even for low income families⁵--and usually leave out the modest and middle income families who also

⁴ Macdonald & Friendly,
https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/A_Growing_Concern.pdf

⁵ Macdonald & Friendly,
https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/A_Growing_Concern.pdf

can't afford child care. It is noteworthy that Quebec is the only jurisdiction that substantially funds child care services directly (i.e., supply-side funding).

The almost all-female⁶ (98%) workforce that is at the heart of delivering early childhood education programs is poorly paid and undervalued, suffering a well-documented gender wage gap⁷; essentially, their wages are primarily paid by parent fees. Too often, program quality cannot be considered "educational" or beneficial for children. For too many parents, the only available option is unregulated child care with no public oversight—a "private arrangement" that is paid out-of-pocket, may be unreliable and occasionally turns harmful or deadly.

Limited access to child care is not limited to low income women, although--to be sure--having enough income to pay the fees is certainly better than not. But the reality of the Canadian child care situation is such that in most regions, parents must both find a space and pay the fee. Finding a space--especially for an infant or toddler, a child with a disability, for non-standard work hours or in a rural community-- may mean signing up (and sometimes paying a fee to sign up) on five, ten or even more centre waiting lists (which doesn't guarantee securing a space). And in most of Canada, finding the space precedes the issue of affording the fee. What this means is that the lack of access to child care is an impediment to women across social classes and job descriptions. Thus, the link between access to child care and economic security is relevant not only for low income women but those who are modest, middle income and even high income.

Child care and women's economic security

This section adds to other witnesses' testimony at the FEWO committee about the links between child care and women's economic security by reflecting on two recent analyses.

*Women and paid work. A gender-based statistical report*⁸, a March, 2016 Statistics Canada publication summarizes that "women's experiences of paid work tend to differ from those of men, being shaped to a greater extent by their care giving roles and/or their employers' presumptions of these roles" (pg. 3). Variables explored include: women remaining out of the workforce (the "gender employment gap"), working part-time (one quarter of women part-time workers identified "caring for children" as the reason they were working part-time compared to 3.3% of men), involuntarily working part-time, having more career interruptions and longer duration career interruptions, absences from work and their concentration in traditional "women's occupations", which typically pay lower wages than do traditional "men's occupations".

These gender-linked employment characteristics tend to be associated with lower wages, less advancement and less job security-- thus, poorer economic security for women. Differences between women with young children and those without are generally salient. As the report notes: "By 2015, the impact of motherhood on women's hourly wages had lessened but not yet disappeared: mothers with at least one child under the age of 18 earned \$0.85 for every dollar

⁶ Flanagan, Beach & Varmuza, http://www.cscs-cssge.ca/sites/default/files/uploads/Projects-Pubs-Docs/EN%20Pub%20Chart/YouBetSurveyReport_Final.pdf

⁷ Halfon & Langford, https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2015/09/OS120_Summer2015_Workforce.pdf

⁸ Moyser, <http://www.statcan.gc.ca/pub/89-503-x/2015001/article/14694-eng.htm>

earned by fathers, while women without children earned \$0.90 for every dollar earned by men without children" (pg. 30).

Child care and its links to various employment characteristics is cited throughout the report. For example, it links the finding that lone mothers are less likely to be in the workforce than those in couples may be due in part to "limited availability of affordable, quality child care" (pg. 13). The report also analyzes the link between the "gender employment gap" and child care fees by city. Using data from a Canadian Centre for Policy Alternatives⁹ survey of parent fees, it notes that "the gender employment gap is greater in census metropolitan areas with high day-care fees" such as Toronto and Vancouver, while Quebec lower gender wage gap is attributed to Quebec's publicly-funded much lower child care fees--hence, access to child care. An obvious cross border example, Ottawa/Gatineau, illustrates this point well: "the gender employment gap on the Quebec side was 2.6 percentage points, compared to 7.3 percentage points on the Ontario side".

A second useful recent analysis of the links between child care and women in the workforce comes from Finance Minister Morneau's Advisory Council On Economic Growth¹⁰, albeit their primary lens is one of Canadian productivity. Considering how to "tap economic potential through broader workforce participation", the Advisory Council identifies women with young children as a key group whose participation could be increased. They note that In Quebec: "women aged 25 to 54 who have children under the age of 16 participate in the workforce at a rate of 93% of that of similarly aged men. But in the rest of Canada, the rate is considerably lower, at 86%. Raising the national level to match that of Quebec could add \$13 billion to GDP, or 0.7% of GDP per capita" (pg. 4). Their explanation: "Families with young children, and in particular low-income families, should have reasonable access to a sufficient supply of affordable, high-quality, and convenient child care". They identify two policy solutions: a) increasing the Canada Child Benefit to allow families to pay child care fees and b) implement Quebec's "universal subsidized childcare program, which not only ensures that quality of service is measured but also makes it possible to distribute benefits on a progressive scale. If such a model were to be considered on a national level, the Quebec system is an obvious case study" Quebec and Canada attributed to Quebec's more available, more affordable child care: (pg. 7). The report's graph below shows the considerable difference in mothers' employment in Quebec and Canada (pg. 3).

This report has links to a current study of Canadian productivity by the International Monetary Fund (IMF). A June 2016 IMF staff report¹¹ also cites Canada's weak child care situation as impeding women's participation in the workforce, suggesting "more generous child care subsidies to encourage women to join the labor market" (pg. 34) and also identifies Quebec's child care program as key. (The IMF's final report is not yet complete).

⁹ Macdonald & Friendly,
https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/A_Growing_Concern.pdf

¹⁰ Finance Minister's Council of Economic Growth, <http://www.budget.gc.ca/aceg-ccce/pdf/workforce-marche-travail-eng.pdf>

¹¹ International Monetary Fund Staff Report, IMF Country Report No. 16/146

Exhibit 1 Lower participation rates present a huge opportunity for growth in Canada



2015 - 2017: Commitments from the federal government

For Canadian families, high-quality, affordable child care is more than a convenience - it's a necessity (Federal Budget Plan 2016, *Chapter 2: Growth for the Middle Class*, p. 101)

With the October 2015 election, the federal government committed to developing a National Early Learning and Child Care Framework in collaboration with provinces/territories/Indigenous under the rubric "economic security for middle class families". A commitment that this will be based on "research and evidence-based policy" is consistent with the government's overall direction re: metrification. The child care funding is part of a \$20 billion Social Infrastructure Fund that includes housing, seniors' facilities and cultural resources. Child care funds were not earmarked specifically but in the 2016 budget, \$500 million was "bookmarked" for child care a year hence. There is an expectation that the 2017 federal budget will establish that annualized funds for child care will be long-term-- sustained over the life of the Social Infrastructure Fund (10 years). The federal /provincial /territorial governments have developed a list of principles-- accessibility, affordability, quality, inclusivity and flexibility but a framework is not yet publicly available.

What changing child care could do --if the architecture were right

Changing child care could be an opportunity for Canada in multiple ways, playing a role in combating inequality between men and women, between social classes and between generations. A universal national child care program would be a key piece in remedying Canada's women's equality record as per its tepid reviews on compliance with Convention on the Elimination of All Forms of Discrimination Against Women¹² (CEDAW) and-- as noted--would

¹² UN Committee on Elimination of Discrimination Against Women (CEDAW), <http://childcarecanada.org/documents/research-policy-practice/16/11/united-nations-committee-elimination-discrimination-against>

support Canadian women's participation in the workforce, as well as in the education and training that prepares them for employment.

The overarching explanation for Canada's weak child care situation is that we rely on a child care market in which governments take limited responsibility rather than building a coherent public system with a vision, long-term goals, planning, substantial public funding and public management. Instead Canada relies on market forces and a consumerist approach to shape, create, maintain, deliver and finance child care--an approach that is considered to be a poor policy practice¹³. Both federal and provincial/territorial child care policy encourage this dependence on markets, flying in the face of clear evidence that public management of child care is not only fairer but a much more effective and efficient way to deliver accessible, affordable, high quality services.

Women across the economic spectrum in all regions of Canada desperately need access to the child care services that only a coherent comprehensive system can provide. The key to building this system for all Canadians is the same today as on International Women's Day in 1986, when the Minister Responsible for the Status of Women released the *Report of the Task Force on Child Care*: the federal government must step up to the plate. The federal government has a key role to play in child care, now and in the future, as it had in Medicare, Employment Insurance and pensions, alongside the provinces/territories who have the constitutional responsibility, as well as In Indigenous communities.

What has to happen

As noted earlier, there is a very strong case to be made that child care can have a key role in addressing societal goals such as women's economic security *if* it is well-designed, publicly-funded, publicly-managed, high quality and accessible. Experience and evidence show clearly that the best way to do this is by using a multi-layered governance approach with robust roles for both the federal government and provinces/territories.

Following the federal election, national, provincial/territorial and Indigenous groups and experts developed a common proposal for a robust national ECEC policy framework. This [Shared Framework for building an early childhood education and care system for all](#) proposes a common federal/provincial/ territorial policy framework (s) based on the assumptions that child care is a public good and a human right for both women and children--not a commodity and that equity is a core value for policy and services.

It proposes, as a starting point, key principles of accessibility for all¹⁴ (meaning available, affordable, inclusive services), high quality and comprehensiveness (meaning a variety of service and policy options for women and families including improved parental leave).

¹³ Beach & Ferns,

https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2015/09/OS120_Summer2015_Child_Care_Market_to_Child_Care_System.pdf

¹⁴ Anderson, Ballantyne & Friendly,

https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/Child_Care_AFB2017_technical_paper.pdf

It highlights that it is necessary to address child care workforce issues of low wages and poor working conditions if quality and accessibility are to be improved. It recognizes that Indigenous peoples should define Indigenous child care and will require adequate resourcing to address current inequities.

To accomplish this, the Shared Framework calls for long-term sustained funding that ramps up predictably over time (10 or 12 years) to *at least* 1% of GDP to develop the system)

It also proposes shared system-building work among federal/provincial/ territorial/local governments/Indigenous communities/key stakeholder groups such as educators, researchers, service providers and parents. This could include, for example, developing a much-needed national child care workforce strategy.

To conclude...

The Toronto Star from Friday, March 16 includes two articles that relate to the content of this brief. A story on pg. A7 is headlined *Finance minister focuses on women in workforce* and describes Finance Minister Morneau's intention to help more women with children to enter the workforce, as per his Economic Advisory Council's advice. Child care, however, is not mentioned. Ironically, the same edition includes a Toronto Star editorial titled *Don't skimp on child care*. It notes that Canada's very low financial contributions to child care means that--as this brief has described--spaces are not available and fees are unaffordable, a situation that affects the "economic well-being of families" , as well as the country's economy and the health of children.

In summary, addressing the lack of accessible, affordable, high quality child care as the barrier to women's economic security it now is requires Canada to dedicate more substantial public funding than we now have and develop the right "architecture" --robust, well-designed policy. Without both of these--much more money and much more policy-- real economic security will continue to elusive for women in Canada.