

The problem with the Trudeau government's 18-month maternity leave plan ^[1]

Blog

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Source: Canadian Business

Format: Article

Publication Date: 30 Mar 2017

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EXCERPTS

For some parents, a longer mat leave is a great idea. But in many cases the math simply doesn't work out for families, and it ignores deeper problems.

Last week, Prime Minister Justin Trudeau released his 2017 federal budget. With it came the news of an extension to our already pretty dreamy parental benefits in Canada—at least compared to the mere 12 weeks our neighbours to the south get (if they're lucky). As Americans looked longingly at our generous mat leaves, many Canadians rejoiced. Eighteen months off! A protected job! Because it's 2017, right?!

But take a closer look and this proposal isn't all it's cracked up to be. Right now, eligible parents are entitled to up to 35 weeks of parental leave, on top of the 15 weeks of maternity leave new moms can take. You get 55 percent of your income, up to a maximum of \$51,300 (this amount increases slightly each year). With the new proposed 18-month parental leave, you'll instead get 33 percent over 18 months instead of 12.

Same same? Nope. Let's do some number crunching: Say you want to take your 15 weeks of maternity leave and all 35 weeks of parental leave, and let's say that pre-baby, you earned more than \$51,300. At the end of your 12-month mat leave you'd collect about \$27,150, or about \$2,263 per month. Under the new 18-month plan, you'd collect about \$24,450, or about \$1,358 per month.

One of the big "Justin-fications" for this proposal is that it'll help parents deal with expensive and hard-to-find childcare, which is often cheaper and easier to find for toddlers (partly because staff-to-child ratios are looser after 18 months, so daycares are less inclined to hire additional staff to accommodate more infants). If parents can stay home with their kids until they're 18 months, they could end up finding daycare more easily—and paying less for it.

In a city like Toronto, where daycare costs are the highest in the country, that might make some sense. But if you look at the 2016 childcare cost survey by the Canadian Centre for Policy Alternatives, that's not the case across the country. In Toronto, the median cost for infant daycare is \$1,649 per month. For toddlers, it's \$1,375. In Vancouver, however, infant daycare is about \$1,321, while the median toddler rate is actually four dollars more. At my daughter's daycare in Vancouver, the cost is the same for any kid between one and five. In Ottawa, toddler care costs \$84 more.

On average, across the country, toddler care is about \$107 cheaper than infant care. So if you take 18 months of parental leave and hold off on daycare until 18 months, you'll save about \$642. But you'll also miss out on up to \$2,700 of parental leave benefits.

As for the accessibility of infant spots, I can only speak anecdotally. In Vancouver, I put myself on multiple wait lists that I never heard a peep from, and created a spreadsheet of nearby group centres and licensed in-home daycares. I called them relentlessly for months. As the end of my 12-month mat leave drew closer, I started to panic. Three weeks before I was scheduled to start working again, I was offered three different full-time spots. I took one.

I hear that story a lot: You search and search and at the eleventh hour, you find a daycare. I don't know a single parent who has been unable to find something.

That last-minute panic is one of the challenges with the new 18-month option. Although the details are still unclear (the budget is expected to pass in the House of Commons, but we may not see these changes enacted until next year), it's likely that you'll be required to choose between a 12-month leave or an 18-month leave at the outset, when you first make your claim right after your baby is born. If you choose 18 months but then decide you want to go back to work sooner, you'll be missing out on the higher benefit rate. If you plan to return to work after 12 months and at 11.5 months you realize you still don't have daycare arranged, you probably won't be able to extend your benefits at that point because you've already been claiming benefits at the higher, shorter-term 55 percent rate.

Financially, you'd actually be better off taking 12 months at 55 percent and then six months off completely unpaid—that's just the math.

But taking that kind of time off from your career is a luxury few have, especially if it comes at a cost. Even with job protection (which will be extended along with the benefits), 18 months away from your career could prove risky in terms of skill development, opportunities for advancement, department or company restructuring or even just your mat leave replacement getting chummy with your boss. A lot can change in a year and a half. Plus, many parents don't want to stay home for a full 18 months.

To suggest that parents take more time off to address systemic childcare woes is just passing the buck. If the government truly wants to fix some of the problems with daycare in Canada, maybe they can start with, um, fixing the problems with daycare in Canada. Costs are skyrocketing (especially once you factor in the cost of childcare for a second or third kid). The final months of mat leave or pat leave are often spent in a frenzy trying to secure a daycare spot, and families are put in the difficult position of choosing any daycare that will take them—licensed or not—at a time that's already pretty emotional for some parents as they transition back to work.

What would really help is an increase to the maximum insurable earnings. If the government is on board with lower benefits over a longer period, how about also offering higher benefits over a shorter period? Give me 75 percent for six months. Fix daycare the right way: by creating more spots and by subsidizing costs for daycares and families.

In British Columbia, a childcare advocacy group is pushing for \$10-a-day daycare, a plan the B.C. NDP has embraced in the lead-up to the provincial election this spring. This is modelled after Quebec, where affordable, subsidized daycare was implemented 12 years ago. Advocates argue that subsidized daycare pays for itself (and is better for the economy): More women are able to enter or re-enter the workforce, increasing families' purchasing power and the amount of taxes paid.

Choice is good. Choice is empowering. And I think it's great that women may soon have the chance to choose a longer parental leave if it works for them, and that we'll have the backing of the federal government to make that decision. But it's not really a choice if you simply can't afford it—financially, professionally or emotionally. For example, how could a single-parent household survive on \$24,450 for 18 months?! Under the guise of Canada's first gender-sensitive budget, our self-proclaimed feminist prime minister is essentially asking women and families to shoulder more burden for less payoff, for longer.

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