

Quebec daycare a model for Canada, but province shouldn't rest on its laurels ^[1]

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EXCERPTS

The decision about whether both parents work or one stays home to look after the kids is an intensely personal matter for Canadian families.

Some moms (or dads) just want to be there when their children are young so they don't feel like they're missing out. Some can't fathom stepping away from their careers and balance work with home life. Some scale back to part-time hours or do contract work so they can have the best of both worlds. Whatever they do, it should be a choice - one made in the family's best interests.

But a new study from the International Monetary Fund suggests that, for many Canadians, the decision may be more of a financial one. Child care is so prohibitively expensive in much of the country that it's simply not worth it for both parents to work in some cases. And it may help explain why the female labour participation rate in Canada lags that of males by nine percentage points. This gender gap persists even among highly educated workers - and despite the fact 35 per cent of women have university degrees versus 29 per cent of men.

The IMF paper examines this issue from an economic perspective, looking at boosting the participation of women in the workforce as key imperative for Canada's future growth and prosperity. And as it evaluates policies that might lure stay-at-home moms into the job market, it lands on the Quebec model as the best incentive.

Yes, Quebec's network of publicly funded Centres de la petite enfance. Since the introduction of subsidized daycare, which debuted at \$5 a day in 1997 and now costs between \$7.75 a day and \$20 a day depending on income, the rate of working women in Quebec has grown faster and is now higher than in the rest of Canada. A 2012 study showed that 70,000 women entered the job market who might not have otherwise, thanks to the program.

It's a question of simple math. The IMF paper notes that the marginal benefit - the amount two-income families are actually pocketing after paying for daycare - is much higher in Quebec than elsewhere in the country. In contrast, the high price of child care in Ontario, where fees can run as much as \$29,000 a year, actually means some low-income families come out behind when both parents work. Among middle-income Canadians, daycare eats up two-thirds of a second parent's take-home salary (usually mom's). But not in Quebec.

The authors make a strong economic argument for a Quebec-style subsidized daycare program that includes publicly funded spaces. Closing the gender gap in the labour market could bolster GDP by four per cent in Canada. And targeting highly educated women in particular would pack a big economic punch.

"Approximately 150,000 women are stay-at-home mothers with high educational attainment living with a spouse or a partner. If they all enter the labour market and start paying taxes, that would raise GDP by two percentage points, which would in turn raise federal income tax revenues by about \$8 billion," the paper says.

The last federal budget pledged \$7 billion over five years to help create 40,000 subsidized daycare spots. These figures suggest that the Canadian government can and should do better.

Consider that Quebec spends \$2.5 billion a year on more than 230,000 publicly funded spaces in Centres de la petite enfance. Plus it offers significant tax breaks to parents who send their kids to private daycares to compensate for the fact there still aren't enough spaces in CPEs to meet demand.

As a parent who has benefited from Quebec's family-friendly policies, there's another part of the equation the IMF study doesn't touch on. For many families, it's not just a question of child care being affordable, although that's certainly important. It's also a matter of having access to good care. Quebec's publicly funded CPEs consistently score higher than private centres on the quality of the service they provide.

It's much easier dropping off your kid every day at a place where they are stimulated, nurtured and loved, where the educators are well-

trained and decently paid. Knowing your kid is thriving and that your daycare is a partner in raising them is an important component in striking a manageable work-life balance. And it's an intangible incentive that might make the difference for some families choosing between both parents working, or just one. Of course, the program certainly offers a hand to single parents juggling jobs and kids, too. And high-quality, low-cost early childhood programs can also lift up disadvantaged children. So it's win-win-win.

This is some important food for thought for both Quebec and federal policymakers.

Quebec shouldn't rest on its laurels, especially with unemployment at a historic low and a \$2.5-billion surplus in its coffers (after a major contribution to the Generations Fund). Expanding CPEs so that all children have access and finding ways to offer flexibility for families who don't work traditional 9-to-5 jobs should be the next priorities. After all, children are the workers of tomorrow in a province with an aging population and generous social programs. Giving the littlest Quebecers the best possible start in life is an important economic objective.

For Prime Minister Justin Trudeau, this is a chance to prove his commitment to gender equality. Affordable, high-quality child care is probably the single biggest investment his government can make in women, as well as children and families. It's time to put words into action.

Daycare is not only a feminist issue; it's an economic one, too.

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