

# Parents, trapped: Lack of child care could undermine economic recovery and hurt women, but the solution is expensive <sup>[1]</sup>

Across the country, shortages of space and staff at child care facilities will leave many pupils behind; parents, especially women, who can't work from home will have to choose between taking care of their jobs and their families.

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**Source:** The Globe and Mail

**Format:** Article

**Publication Date:** 11 Jul 2020

## AVAILABILITY

Access online via paid subscription <sup>[2]</sup>

## EXCERPTS

There should be laughter, the unrelenting doo-doo beat of Baby Shark, and about 150 children filling the Compass Early Learning and Care daycare on this bright summer's day.

Instead, there is dead silence, as there has been since mid-March, when the staff closed the doors of the daycare as the threat of the novel coronavirus surged. "It's eerie," says Shirley Mittenburg, the daycare's program lead, as she looks around the empty rooms where her young charges should be.

The daycare in Bowmanville, a 45-minute drive east of Toronto, is set to open on Monday, but like all such facilities in Ontario, its capacity will be severely restricted because of public-health measures; only 49 children will be able to return.

Put another way: More than 100 children will be left without a daycare spot. Parents in Ontario, with its tight restrictions on daycare capacity, face the biggest challenge. But across the country, concerns among parents and daycare staff about how safe it is to reopen - and a shortage of qualified workers that is expected to get even worse - threaten to be just as significant a constraint on the resumption of prepandemic care.

The strains could grow even greater if parents need to make care arrangements for school-aged children unable to attend class every day.

Parents unable to work from home will face a stark choice between their jobs and their children. And that decision will, for the most part, be made by women. Even after decades of expanding economic equality, women typically are the ones to withdraw from the work force if child care is not available or affordable.

The silent rooms of the daycare in Bowmanville, and in thousands of similar facilities across Canada, are more than a headache for parents. They also represent a major barrier to economic recovery: Without sufficient and safe daycare, parents will stay home, and significant numbers will exit the labour force. And if that happens, any hope of a rapid recovery in household incomes and the broader economy will vanish, economists say.

Daycare advocates say the solution is a massive expansion of publicly funded services, with billions in new annual federal spending coming alongside the political strings of national standards. (If it came to pass, it would be the child-care equivalent of the Canada Health Act.) Ottawa - whose ability to spend is far greater than the provinces - has already taken a step in that direction, offering \$14-billion in aid meant, in part, to help pay for the additional expenses the child-care sector faces. Finance Minister Bill Morneau acknowledged the importance of the issue to reporters ahead of his fiscal update on Wednesday. "We've been very clear that having access to child care is going to be critically important for us to get back to work," he said.

In normal times, daycare is much like a throttle for the engine of the economy. Increase the supply of spaces, and more women are able to work. Productivity rises, household incomes grow and consumer spending ticks up. When Quebec introduced heavily subsidized daycare in the 1990s, the resulting economic boom delivered a fiscal windfall that more than paid for the added costs.

But the coronavirus threatens to throw that dynamic into reverse. A mass exodus of women from the work force would be unprecedented in recent decades, so there is little academic research. But there's no question that an enormous chunk of economic activity is at risk: Canadian women with at least one child had precoronavirus annual earnings totalling \$113-billion, and represented 40 per cent of household income for families with children on average, says Jennifer Robson, associate professor of political management at Carleton University.

She warns that the economic impact of women leaving the work force to take on unpaid work at home would be "disastrous." A significant share of that \$113-billion would evaporate, puncturing household income, and in turn reducing spending by those households. "This has huge ripple effects."

In Toronto, Courtney Gray has already had to make the choice between caring for her children or continuing her career. She took an unpaid leave from her position as a physiotherapy assistant to care for her two children, ages 7 and 9. Ms. Gray tried to return to work, but it was too difficult to balance the demands of home and work. Her husband is an actuary, and earns more. "It seemed to make the most sense for our family for me to be the one with the kids full-time," she said.

She's unsure of how quickly she'll be back on the job. It all depends on what school and child care look like in the fall.

At the start of the pandemic, many Canadian parents were able to put off that choice, part of a vast and unexpected national experiment in working from home.

But Elizabeth Dhuey, associate professor of economics at the University of Toronto, said that flexibility is not sustainable, and that women will bear most of the fallout.

Women tend to earn less than their male partners, she says, and even in households where that isn't the case, gender norms still put pressure on women to be the parent who stays home.

"There's going to be a huge reckoning for women in deciding whether or not to continue their work," she says.

Although any precise estimate is problematic in such a fluid situation, Prof.

Dhuey says it's possible that hundreds of thousands of women (and tens of thousands of men) could end up exiting the work force if widespread daycare shortages emerge and persist.

An exodus of women from the work force would have significant effects on the fiscal outlook for governments, she adds.

Fewer female workers would decrease productivity and erode the tax base as economic growth slowed. Social assistance costs would rise, adding to already substantial deficits. Together, that adds up to a formula for faster growing debt and a slower growing economy.

And the impact on workers themselves is likely to be long-lasting, even if daycare capacity is restored after a few months. Prof. Robson from Carleton says research shows that when a previously employed worker is out of the work force for six months or longer, they are much less likely to come back. If they find a job, it includes a significant pay cut.

There is already some evidence that the threat of a female exodus from the labour force is materializing. Across Canada, women's participation in the work force, already lower than that of men before the coronavirus, took a steep slide at the start of the lockdown, before rebounding in May and June.

But women are less likely to have re-entered the work force. The gap in participation rates between men and women over the age of 25 increased in May and June, according to Statistics Canada data released Friday, even though both genders saw employment gains.

The gender split becomes even sharper when limited to parents. Men between the ages of 25 and 54 with a child under six years old saw a sharp rebound in employment in June, and have actually seen employment gains since February. Employment rose for women of that age, with a child 6 or younger, but not by as much, leaving that group still worse off than before the pandemic began. Women with school-aged children were even worse off, reflecting the challenge of parents forced to take on home-schooling duties.

Armine Yalnizyan, an economist and Atkinson fellow on the future of workers, says the gains in employment for men aged 25 to 54 indicate that they are already stepping into jobs vacated by women. She warns there are simply not enough men to take up the resulting slack if women exit the work force en masse.

Without a clear path for women back to the workplace, Canada's nascent economic recovery will quickly collapse into a recession, Ms. Yalnizyan says. "It's the choke factor, it's the limiting factor in recovery."

Those statistics reflect the dilemma of Jen Quesnel in Saskatoon, who recently left her job at the CBC and is now at home with her five-year-old twins and eight-year-old daughter. When the lockdown first began, Ms. Quesnel said the family limped through as best they could with two parents working and the children at home. "This just wasn't sustainable," she said, adding that her husband earns more as a grain buyer, so she made the decision to leave her job.

Although she's trying to freelance, she says it's the first time she's been away from full-time or parttime work, outside of maternity leaves. "I don't feel like I have the career I once did," she said. "I feel like I'm on pause, at best."

For Kids & Co., a countrywide daycare operator, the uncertainty created by the coronavirus has prompted a recalibration of its business model, in which it provides services both directly to parents and through employers. Linda Starr, vice-president of sales and marketing, says her company has only recently resumed operations and is at about halfcapacity currently, largely because parents are not yet choosing to send their children back to daycare.

The company operates 125 centres in British Columbia, Alberta, Manitoba, Ontario, Quebec and Nova Scotia as well as a dozen in the United States.

Ms. Starr says demand is rising week to week, but that she foresees a sharp uptick in the fall, driven by parents needing a break from the demands of juggling working from home with child-care responsibilities. That demand will be even higher if schools aren't open full-time, she adds. "There comes a point when you can't manage that any more."

Soledad Silencieux, a single mom, had only returned to work in January from maternity leave when her son's daycare shut down two months later. She took a leave from her job as a speech and language pathologist at an acute care Toronto hospital, and received the

\$2,000 monthly payment under the Canada Emergency Response Benefit (about half her normal salary).

She has since returned to work, but only for four days a week, since she has been unable to secure a daycare spot set aside for essential workers near her home or the hospital. (She is far from alone; the City of Toronto had a waiting list.) For now, Ms. Silencieux has left her son in the care of a family member when she's at work.

After weeks of worry, Ms. Silencieux recently heard from her son's daycare that he will have a spot later this month when the centre reopens. "I feel for the people who are not essential workers and need child care," she said.

A sense of uncertainty looms large for parents, daycare operators and policy makers. One of the biggest unknowns is what will happen with publichealth rules for daycares, particularly in Ontario, where strict rules on the number of children allowed in a grouping has cut the capacity of many facilities by two-thirds or more. The Ontario government currently requires child-care centres to limit each room to a maximum of 10 people, including staff and children, among other conditions. (The rules also prohibit indoor singing, so renditions of Baby Shark will have to wait for outdoor time.)

Even as capacity shrinks, demand may suddenly shoot up if school-aged children aren't able to attend classes regularly. In Ontario, for instance, the government has floated a back-to-school scenario under which students might attend classes only two or three days a week.

"Right now, our focus has been to allow for the reopening over the summer and then we can look towards the fall," says Ryan Bird, spokesman for the Toronto District School Board, which has more than 320 child-care operators in its buildings. "This is a hugely complex issue in that you solve one issue and another one pops up."

He added: "It's not as easy as making sure the health and safety requirements are met and swing the doors open. It really does have a domino effect."

The 10-person limitation has the effect of increasing the number of workers relative to the number of children, so costs for daycares will be stuck near precoronavirus levels even while revenues from the fees paid by parents fall significantly. Some daycare operators in Ontario, including Tree Top Children's Care in Toronto, are already concluding that it isn't financially viable to reopen unless they receive additional government funding.

Of the 155 children that Tree Top Children's Centre looked after prior to the pandemic, it would now be able to take in 24.

"We'd be bankrupt in a couple of months," says Amy O'Neil, executive director of the non-profit child care centre.

The centre has had to lay off its teachers, and at least six of the working mothers who had children in care prior to the pandemic have had to take leave from their jobs, Ms. O'Neil says. Many parents have reached out, she says, eager to know if there will be spots for their children. "Most of the parents are just feeling really desperate."

Tree Top plans to gradually reopen at the end of September to help whichever families it is able to provide care for, but Ms. O'Neil is not optimistic. "Post-COVID, we're looking at the collapse of an entire sector."

In other provinces, no such stringent restrictions are in place. Quebec reopened its daycare centres to all families, not just essential workers, in May and the government has noted there have been only 19 cases of COVID-19 over that time. MarieClaude Lemieux, a spokeswoman for the association of Quebec's public early childhood centres, said emergency daycares ran for 10 weeks prior. The government worked with daycares on guidelines around reopening, which included staff wearing personal protective equipment and frequently disinfecting toys. But, she said, the two-metre distancing rules were not enforced, because it is not practical when it comes to young children.

B.C., Prince Edward Island, Nova Scotia and Newfoundland and Labrador did not order daycares to shut down, instead providing increased funding for those who chose to continue operating to provide emergency daycare spaces to essential workers. The B.C. government alone expects to spend \$278-million on temporary funding for those spots. Alberta's reopening plan for daycares limits groups to cohorts of 30 individuals, including staff and children, but also allows more than one cohort in a facility, so long as they avoid interaction.

The B.C. government has not instituted the same kind of space limitations as Ontario for daycares, although schools reopened at reduced capacity under the province's plan. That meant different rules for children the same age, depending on whether they were sitting in a classroom or a daycare.

The inconsistencies in public-health standards between school classrooms and daycare facilities are fuelling health worries among child-care workers. "I never knew taking my ECE certificate would provide me with immunity to COVID," says Christina Dicks, an early childhood educator with a daycare in Port Alberni on Vancouver Island, recounting a joke she's told to a friend. Mrs. Dicks says she is not greatly concerned, but other workers at her facility are. Six of 30 staff have not returned to work, with two quitting outright.

Even without formal restrictions, the daycare where Mrs. Dicks works won't be operating at full capacity come September.

"We just won't have the staff," she says.

That shortage of daycare workers is a concern right across the country, says Morna Ballantyne, executive director of Child Care Now. Even before the coronavirus, relatively low wages made recruitment and retention a problem. Child-care workers typically make only a few dollars an hour more than minimum wage even after government programs that top up their pay.

Now, health concerns are amplifying those pre-existing economic issues.

In a survey of 8,300 daycare providers, 71 per cent said they had laid off some or all of their work force. Persuading those workers to

return is one of Ms. Ballantyne's biggest concerns, and part of why the organization is pushing for greater federal funding for higher wages for front-line staff. In that same survey, 36 per cent of those daycare operators said they are worried they won't be able to reopen.

Any solution is going to prove costly.

Child Care Now says Ottawa should carve out \$2.5-billion for daycare out of its proposed \$14-billion in coronavirus assistance to provinces, territories and Indigenous communities.

The government has not made that commitment, although negotiations are continuing, with the provinces pushing Ottawa for more. Ahead of the fiscal update, Mr. Morneau acknowledged the need, and added: "Women have been harder hit through the course of this pandemic and our measures therefore need to consider that challenge."

Child Care Now says much more - and permanent - daycare funding will be needed: \$10-billion a year in new federal spending within five years. The need for child care, and the pressures currently on the system, should prompt a re-examination of how child care is funded in Canada, says Carolyn Ferns, public policy and government relations co-ordinator for the Ontario Coalition For Better Child Care.

"This crisis needs to prompt us to move to a different kind of child-care system," she says. "Child-care advocates have called for years to have a more publicly funded child-care system, and now I think it's pretty much unavoidable.

**Region:** Canada <sup>[3]</sup>

**Tags:** mother's labour force participation <sup>[4]</sup>

economic recovery <sup>[5]</sup>

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