

Opinion: Canada should increase financial support for child care to help women return to the work force ^[1]

Author: Porter, Brian

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EXCERPTS

Brian Porter is the CEO of Bank of Nova Scotia CEO

The Prime Minister has promised an ambitious plan to set Canada on a path to recovery from the staggering economic impact of the COVID-19 pandemic. One of the key components of such a plan must be to enable more women to enter the work force and build a meaningful career.

Women's employment rate has historically lagged men's, even before the pandemic took an additional toll on the sectors that employ more women. Pre COVID-19, women's participation in the work force in the 25 to 54 age group was nearly eight percentage points lower than men.

The International Monetary Fund has estimated that closing that gap could lift Canada's gross domestic product by 4 per cent over the medium term.

The lack of access to quality child care is not a result of COVID-19 - it has existed in Canada since women began joining the work force in greater numbers.

Even with more flexible familyleave policies, parents - and mothers in particular - are faced with the daunting challenge of having to reconcile their familial responsibilities and professional aspirations. This genuine problem is not without a clear solution.

We need only look to Quebec to see policies that offer parents greater choice when it comes to child care. The benefits speak for themselves.

Before Quebec introduced universal, low-cost child care, its rate of female employment was even lower than in the rest of Canada and now is several points higher.

The Quebec model has shown that making child care more affordable can dramatically increase the participation of women in the work force and keep women from having to choose between a career outside of the home or paying for child care.

Simply put, the high cost of child care outweighs the financial benefit of employment for too many parents. Unfortunately, it is more often women who set aside their career ambitions to ensure their children receive quality care.

We have an opportunity to address this long-standing issue now, not just in response to the current downturn but for the long-term benefit of Canadian families.

To allow more women to enter the work force, the federal government should consider significantly enhancing the financial support it provides to households that send their children to daycare.

We recommend two steps to achieve that aim, while allowing for the flexibility and choice that parents want and need: Top up the Canada Child Benefit with a non-means-tested \$5,000 a year for each child in child care.

Dramatically increase the Canada child tax credit to allow parents to fully deduct the cost of preschool child care. The Canada child tax credit currently allows parents to deduct up to \$8,000 a year for each child under 7 from taxable income. Child-care costs vary dramatically across the country, but increasing the tax credit to \$20,000 a year should cover the cost of daycare in every city.

Ultimately, parents are the ones who should be making choices about child care, and these policies would further expand parental choice and give families greater flexibility. Moreover, these solutions will increase the number of working Canadians and contribute to a stronger and more prosperous country.

This is a market-led approach that empowers parents, rather than the government, to make the decision about where to send their children. This approach will increase the availability and quality of child care, while allowing parents to pursue the careers of their choice.

The federal government has done a commendable job of reacting to the pandemic with measures that have helped households and businesses manage through these difficult economic circumstances. We now have an opportunity to think about the longer term and to eliminate the barriers that have long stood in the way of women's full participation in the work force.

Canadians are resilient and, to be sure, the coming months will continue to test our resolve, our endurance, and our unity. Making quality childcare more accessible is good for women, it's good for families, and it's good for Canada. That's something all Canadians can unite around.

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