

Corporate Canada needs to take on child care ^[1]

Lack of child care is keeping women at home. A corporate tax credit for companies that build child-care spaces would improve access and lower costs.

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EXCERPTS

If there's one group of Canadians that have really taken a hard hit by COVID-19, it's working parents, especially mothers. If anyone needs a break, it's them. And they needed it yesterday.

A third of working moms today are considering putting their careers on hold to stay home and look after children, either for safety reasons or for lack of child care support. Having one-out-of-three working Moms on the workforce sidelines is damaging for our economy and for gender equity.

We can't blame this solely on the pandemic. In regards to child care, things were ugly enough for working families before this all came down on us.

Child care across Canada is scarce and, as a result, incredibly expensive. Long waitlists are the norm, with parents creating online communities to share tips on how to navigate through this nightmare. Across Canada in 2016, there were child-care spaces available for less than 30 percent of children under the age of five.

According to the Canadian Centre for Policy Alternatives, the average monthly cost for infant care in 2017 was \$990 in Edmonton, \$1250 in Calgary, \$1360 in Vancouver and \$1758 in Toronto. For toddlers, there was some cost relief, but not much. The average cost per month for a toddler was \$891 in Edmonton, \$1050 in Calgary, \$1292 in Vancouver and \$1354 in Toronto in 2017.

That's an annual cost of between \$10,692 and \$21,096, making child care an incredibly expensive budget item for the average working family.

Yes, of course child care ultimately falls into the laps of local and provincial legislators. But today, more than ever, we need the federal government to step up and play a leading role in solving this problem. Day care is no longer something nice to have. It's an economic imperative.

So how do we solve this problem? Do we roll out a national daycare strategy, like the NDP are calling for, or like the Liberals have promised in their most recent throne speech? No – absolutely not.

Instead, we know who's best placed to rapidly build out quality daycare spaces with qualified staff and provide relief for parents often working on lower paying jobs as cashiers, clerks, warehouse workers or office administrative staff.

And that is corporate Canada.

And here's how we can do it. Bring back a corporate tax credit that the Trudeau government scrapped and amp it up to make it truly an incentive.

The Harper government introduced a 25 percent federal tax credit, to a maximum of \$10,000, for employers who built licensed child-care facilities for their employees.

It was a good first step, but too timid to provide real incentives for businesses to take on child-care responsibility. That's the reasoning the Liberals used to cancel the credit in 2017.

Here's the solution: bring the tax credit back, ramp it up to a 50 or 75 percent credit up to a maximum of \$500,000.

In other words, make it so appealing that when faced with the choice of paying corporate taxes, or providing tangible benefits for their employees, businesses across Canada will likely choose the latter.

This type of tax incentive will allow all businesses to better focus on child care as an employment benefit, while keeping costs reasonable. Leveraging employers helps counter both the issue of supply, and the problems of affordability.

Most importantly, a policy like this ultimately means that parents can get back to work – and do it now. When the Canadian Global Cities

Council looked at pro-growth policies for Canada's future, this tax credit was one of their top suggestions. The council estimates that a combination of policies that provide more affordable access to childcare, and employ more women in tech jobs, would add \$150 billion to the Canadian economy by 2026.

That's nearly half the amount the government has spent so far fighting the pandemic.

Here's the bottom line: let's let the private sector step in and help give Mom a break, create jobs, attract top employees and contribute in a significant way to getting our economy back on track.

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