

# National child-care system would boost women's job numbers and economy, report says <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

OTTAWA - A new report estimates that hundreds of thousands of women could get back into the labour force if the Liberals follow through on a pledge to create a national child care system.

The paper to be released Wednesday makes the case that federal spending to create a national program would "pay for itself" in the form of extra income tax, extra spending and reduced social costs as more parents entered the workforce.

There is also the potential for tens of thousands of construction jobs as new centres and spaces are built, along with an employment boost in the child-care sector as it expands.

Report author and economist Jim Stanford says the lack of accessible and affordable daycare is a key reason why fewer women in their 30s and 40s are in the workforce than men the same age.

He estimates that between 363,000 and 726,000 women in the "prime parenting age cohort" between 25 and 50 could join the labour force over a 10-year period as a national child-care program is developed.

Among them would be up to 250,000 women moving into full-time jobs.

Stanford's paper builds on previous research into the economic spinoffs of Quebec's publicly funded daycare system, but develops estimates based on how a national system might look.

The Liberals have promised to make a long-term spending commitment to create a national child-care system, seeing it as a key avenue to help women harder hit during the pandemic in what has been dubbed a "she-cession."

"Economists have agreed for years that child care has huge economic benefits, but we just can't seem to get the ball over the line in Canada," says Stanford, director of the Centre for Future Work.

"I finally think the ducks are being lined up here and we can actually make this happen," he adds.

"This really is the moment when we can finally move forward, and it is a moment when Canada's economy needs every job that it can get."

A recent report by RBC economists Dawn Desjardins and Carrie Freestone calculated that 20,600 women fell out of the labour force between February and October even as 68,000 more men joined it.

The situation was most acute for women ages 20 to 24, and 35 to 39; one of the reasons the duo cited for the sharper drop was the pandemic-caused closure of child-care centres.

Child-care centres, which often run on tight margins and rely on steep parental fees, couldn't keep up with costs during spring shutdowns and shed about 35,000 jobs between February and July. Some centres have closed for good.

The worry Stanford notes is that many of the job losses will become permanent and more centres will close without financial assistance from governments.

Scotiabank economists Jean-Francois Perrault and Rebekah Young suggested in September that creating nationally what Quebec has provincially would cost \$11.5 billion a year.

Their analysis also suggested federal coffers could reap billions in new tax revenue as women in particular would get into the workforce in greater numbers, offsetting some of the overall cost.

Stanford's estimate is for a boost to government revenues of between \$18 billion and \$30 billion per year, split between federal and provincial governments.

"This literally is a social program that pays for itself," Stanford says.

“The economic benefits of giving this first-class care to early-age children, and getting their mothers in the labour market working to their full potential, are enormous.”

He argues that provinces, mired in a fiscal quagmire worse than the federal government’s, shouldn’t stand in the way of “reasonable demands” from the federal government to create a national system.

Provinces have responsibility for child-care delivery. Stanford says they cannot afford to look this gift horse of new revenues in the mouth given the federal government would foot most of the bill.

**Related link:** The role of early learning and child care in rebuilding Canada’s economy after COVID-19 [3]

Universal child care would generate up to \$29 billion a year in tax revenues, new report says [4]

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