

Oh, baby! [CA-BC]^[1]

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EXCERPTS

Birth rates are dropping dramatically in B.C., and soon immigration won't be able to fill the labour gap. Will local businesses get serious about creating kid-friendly work environments before it's too late?

The boomer show is about to bust in B.C. Soon the curtain will open to reveal a slowly emptying set as the aging cast members are drawn offstage by retirement's twinkling lights. We're a province accustomed to dramas of many kinds, but this is a spectacle we've never seen before. And the question on the minds of spectators and stagehands alike is, Just how long can we keep the show on the road?

The boomers are still hogging the labour limelight in both B.C. and Canada, but in 2011, according to Statistics Canada, the percentage of the Canadian population that works will peak, then start to go down. As the first boomers reach age 65 in two years, the graceful shuffle we see now will break into a trot as record numbers of workers take their final bows.

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The growth and stability of the economy depend on two things: the percentage of the population that works and the average worker's productivity level. But soon businesses won't be able to recruit or retain enough employees to remain viable nor find enough consumers for their products or services. There will be fewer taxpayers to fund everything from health care to business subsidies. According to Bemmels, "All long-term economic projections are affected, the economy might start to stagnate and we might lose our ability to be competitive."

It's a story playing out in most industrialized countries, and all provinces, but it's particularly dramatic here in B.C. We have the second-lowest fertility rate in the country, behind only Newfoundland and tied with many countries in eastern Europe. U.S. women have an average of 2.09 babies each (about the rate needed to replace the population) while Canadian women have 1.59; B.C. women have just 1.40.

The rate has climbed slightly in the last few years because the front-end boomers' children are having kids (the so-called boomlet generation), but their demographics show the uptick won't continue. What will continue, however, is the aging of the labour force. By 2021 about one worker in five will be 55 or older.

So what do all these numbers add up to? On the upside, it means that, outside of recessionary times, unemployment will cease to be a concern. "I have two children; one is in high school and one is in university," says Bemmels.

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But for employers and social-safety-net administrators, the prospect of the old outnumbering the young presents an almost unmanageable situation. And currently, neither the provincial nor federal government is providing any real solutions. That is why some businesses are now turning office cubicles into cribs as a way of raising productivity, increasing profits, and attracting and retaining more workers both now and in the future.

One company that has arrived at just such a solution is Syscon Justice Systems Group in Richmond, a software development company with 110 employees. Just over three years ago, one of its top employees returned to work after maternity leave and struggled to cope because of child-care arrangements. Several other employees told the CEO at the time, Floyd Sully, that they might have to resign since they were unable to find quality child care in the area.

Sully didn't want to lose any of them, so he searched the surrounding community for child-care options but found very few spaces and none that seemed good. He decided to create an in-house child-care facility instead, consulting with Linda Reid, B.C.'s minister of state for child care, who told him that retrofitting or renovating an existing space to comply with regulations usually costs between \$10,000 and \$15,000. Sully hired a full-time child-care director and converted three tiny offices over a period of five weeks.

"Parents aren't running in the door at 7:30, totally stressed out, throwing me the child and saying, 'Oh, I'm so late,' then calling me an hour later, crying, 'Oh, I'm such a bad parent, is my kid OK?'" says Margaret McColm, the director of Syscon's child-care centre, who has both early-childhood-education and infant-education certification and 20 years' experience in non-workplace-based child care.

She says eliminating the morning and afternoon child-care-related stress and extra commute makes parents much happier and more productive. “Here they sit with their child in the morning and spend their lunch hour with them by the river. And if anything happens, they’re right down the hall; they don’t have to leave work and drive across town.” They also don’t have the panic of leaving work at an exact time in order to avoid being late for kid pickup.

Syscon president Dan Crawford says the child-care centre has had a “huge” impact on human resources, more so than providing perks with similar price tags such as a gym. “What does it cost to replace just one experienced, trained systems engineer? The recruiting, training and downtime when they are being replaced takes a really large amount of capital and potential productivity. So retaining just one employee is a very important investment.”

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According to Nathanael Lauster, an assistant professor of sociology at UBC who specializes in demographics and family, there are a few key reasons for this discrepancy. First, his research shows that when the cost of housing goes up, fertility goes down, and nowhere has that trend been more evident than in B.C. There’s also the fact that the list of “requirements” considered necessary to do a good job of parenting has changed from basics and hand-me-downs to thousand-dollar strollers, baby clothes that go out of style and specialty baby toys – a list that acts as birth control for some, because of the increasing price tag and environmental footprint.

And then there’s the increased opportunity, financial and career costs of having children. It’s been well documented that the only thing that helps women choose kids – when it comes to choosing between having a career and having kids – is not having to choose at all. And the only way to create that situation, according to David Foot, professor of economics at the University of Toronto and author of *Boom, Bust & Echo: Profiting From the Demographic Shift in the 21st Century*, is to provide free or cheap, universal, quality child care.

He says that when governments do that, as they have in France and Quebec, they see fertility rates increase by a quarter point on average within a couple of years. In B.C.’s case, that could mean the rate goes from 1.40 to 1.65 children.

This is the broader societal solution – universal, cheap, quality child care – that many experts say would benefit not only families and children themselves but the economy as a whole. Introducing such a program would mitigate the labour decline in about 25 years by increasing the birth rate and would also have the immediate effect of increasing women’s participation in the workforce. Most women want to spend the first 12 months with their babies, but after that many who would like to return to work either full- or part-time can’t, due to child-care challenges.

“To keep people in their 20s, 30s and 40s, in the prime of their working age, in the labour force would be a very good strategy,” says UBC’s Bemmels.

While the main reason to provide our youngest citizens with quality, stimulating care is to help them lead happier, more fulfilled lives, it also helps the economy’s bottom line, boosting potential workers’ productivity – which would also ease the coming labour shortage because we’d need fewer workers.

“Cost-benefit analyses of early childhood interventions have shown, in different settings, that the returns of early childhood education and care can be as high as \$8 for every \$1 invested,” reads a recent UNICEF report. Right now, however, Canada lags far behind its fellow rich nations in the care and education of its young children, according to UNICEF. Of 25 economically advantaged countries, Canada scored at the very bottom, behind even Mexico.

So why is Canada so neglectful of its young when we’re known for our strong social welfare system? According to Foot, it’s all politics. “In the 10 years leading up to the Harper government, there were lots of negotiations around quality child care, including all the provinces, and the deal was pretty much struck. Harper nixed it completely,” he says. “Harper and his people believe women should stay home and look after children.” The irony of such a world view, however, is that it means fewer women have kids, so even fewer stay home.

As for the B.C. government, “We are very committed to quality child care,” says Linda Reid. The Early Childhood Learning Agency is releasing a report about the feasibility of full-day, fully subsidized kindergarten for five-year-olds, and Reid says the government is interested in extending early childhood education in elementary schools to four-year-olds in the future, then, eventually, to three-year-olds. But the report comes with no policy implications, and there are no plans in the works to realize either idea.

The provincial government currently spends \$300 million a year on child care. Of that, \$140 million goes to subsidizing child care for B.C. families with incomes below \$38,000 a year, which means 50,000 children benefit in some way from the subsidies. But given that there are about 246,000 kids under the age of five in B.C., and that most of the subsidies are only partial, only about one in five families gets any help at all. And given that child-care costs can run as high as \$1,400 a month in urban centres, that cost can act as a kind of birth control, even for families with incomes over \$38,000.

Foot says that to be effective in raising fertility rates or providing quality education, which benefits society as a whole, a child-care policy needs to reach everyone and be subsidized at the point of entry, such as in Quebec, where for \$7 a day, any parent can enroll their child in child care. At present, no such policy is being proposed by the B.C. government.

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We need some fresh thinking about this business of raising babies – including the ways in which parents, schools, governments and companies get involved in a child’s rearing. If we really want to increase our personal well-being, skill levels, productivity and overall economic strength, we’ll need private solutions such as Syscon’s in-house child care as well as bolder solutions such as universal child care. We’ll need to think about the health of our families, our businesses and our economy as being interrelated and interdependent.

“The answer is to keep having kids but to start raising them differently, more responsibly, in an ecological and social sense,” says Lauster. If we can do that, we’ll go a long way toward solving the twin economic and environmental crises that loom.

- reprinted from BC Business Online

Region: British Columbia [2]

Tags: economics [3]

demographics [4]

mother's labour force participation [5]

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<https://childcarecanada.org/category/tags/economics> [4] <https://childcarecanada.org/category/tags/demographics> [5]

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