

'Think like a Beaver': A deal for families ^[1]

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EXCERPTS:

Newfoundland and Yukon Territory went to the polls this week. The Northwest Territories, Ontario, Manitoba and P.E.I. held provincial elections last week.

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Since political parties of all stripes across the country are slow to develop policy to resolve Canada's bad intergenerational deal, I propose in this column a New Deal for Families, one informed by leading national and international research. It's then up to Gen X-ers and boomers who care about their kids and grandkids to ensure the next elections give serious attention to proposals like these.

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A Time Dividend: Since the generation raising young kids is squeezed between the need for time at home and time to earn a living because wages lost ground as housing prices rose, a New Deal for Families should organize around the concept of a Time Dividend. When talking about dividends, the stock market provides a reasonable benchmark for prosperity sharing. Just as Dow Jones Industrial stocks paid an average annual dividend of 2.8 per cent in 2010, a Time Dividend in Canada could use 2.8 per cent of the economic prosperity produced today compared to the mid-1970s to alleviate the time, income and service pressures faced by Generation Squeeze.

That 2.8 per cent equals \$22 billion annually - a national dividend for families to be financed either by (a) less public spending on other things; (b) higher taxes, or fewer tax writeoffs; (c) new business investment; and/or (d) deficit financing - spend now, pay later. Reasonable people will differ about which of these options to prioritize or combine. But it is critical to recognize that these are the only options, save one: Accept the status quo by doing nothing to address the decline in the standard of living for the generation raising young kids.

A Time Dividend would get Canadians back to basics. It would:

- Put the family back into Canadian values, while acknowledging the diversity of households.
- Allow families to spend more time together, and spend less on stuff.
- Give real choices for women and men to contribute at home and on the job, rather than just talk about this balance being a possibility.
- Enable and expect personal responsibility, because moms and dads alike will have enough time to raise their kids, and enough time to earn a living to pay for their kids.

To pay this Time Dividend, three policy changes are required:

1. New mom and new dad benefits to ensure all moms and dads, including the self-employed, can afford to be at home with their newborns, at least until children are 18 months.

How?

Extend parental leave from 12 months to 18 months, generally reserving the extra six months for dads (with exceptions for lone-parents and same-sex couples). During a child's first 18 months, parents will enjoy increased access to healthy child check-ins and parenting support.

Details?

Caring at home would be made affordable by insuring 80 per cent of parents' income up to \$60,000 a year. This increase will double the existing maximum benefit.

2. A new minimum \$440 weekly benefit will be available to ALL parents, enough to eradicate child and family poverty for this age group. Moms and dads who now do not qualify for leave would see their after-tax household income increase by at least \$12,500 in the 12 months following the birth of their child. Ten-dollar-a-day child care services will ensure that parents can afford enough employment time to manage the rising cost of housing and stalled household incomes.

How?

Reduce child care service fees for children over 18 months to no more than \$10/day (full-time) and \$7/day (part-time), making it free for

families earning less than \$40,000/year.

Invest adequate funding for kids to spend their time in developmentally stimulating activities and play, including children with extra support needs. Child care workers will have appropriate training in child development, and earn pay equity wages.

Details?

The services will supplement, but never replace, the care that families provide. Families will be able to use the parenting support even if they do not choose to enrol their children in non-parental services.

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3. Flex-time for employees and employers to remedy workplace standards that too often make it standard practice to ignore the family.

How?

Adapt overtime, Employment Insurance, and Canada Public Pension premiums paid by employers to make it less costly for businesses to use employees up to 35 hours per week, and more costly for hours thereafter.

Overtime will kick in at 35 hours a week (averaged over a year). Overtime premiums will be paid either as cash or earned time away from work.

Details?

With new incentives, employers would reduce the work week by three to five hours for the half of men and the one-third of women who now work more than 40 hours/week.

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Changes to the national child benefit supplement will ensure any reduction in employment hours does not reduce income in low-earning families. For other families, the reductions in earnings will be offset because the \$10/day child care plan will reduce households' child care expenditures by thousands of dollars a year.

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Twenty-two billion dollars is less than one and a half per cent of the Canadian economy. It is about onethird of what Canadians now pay for Old Age Security and RRSP subsidies, and 16 per cent of medical care.

We know this price tag is doable. Between 2007 and 2010, Canadians increased our public spending on medical care by more than \$22 billion annually. Clearly, \$22 billion can be found for priorities.

The real question is: Do Canadians prioritize a Canada that works for all generations? Canadians in Saskatchewan next have the opportunity to answer this question as they go to the polls on Nov. 7. Perhaps the province that brought us medical care can once again lead by launching a New Deal for Families?

-reprinted from the Vancouver Sun

Related link: Think like a beaver: Generation X-It ^[2]

Region: Canada ^[3]

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