

# Mount A student looks at the effects of childcare policy on women's wages <sup>[1]</sup>

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## EXCERPTS:

SACKVILLE, NB - Honours economics student and Sackville resident David Evans enriched his undergraduate experience at Mount Allison with a research project examining childcare policy from an economist's lens. Evans spent the past two years looking at the effects of subsidized childcare in Quebec on women's wages. Quebec introduced a province-wide childcare subsidy program in 1997. Researchers have been examining many aspects of childcare's impact on the economy, using this program as a differentiator.

Evans began studying the topic in a special topics course on the New Brunswick economy, where he did a project on childcare in the province. He then spent the summer doing further research on the effects of childcare on wages, receiving a student summer research grant to support his work. Evans was able to refine his work this year in a project for an econometrics class taught by Craig Brett. Using Statistics Canada data from the Survey of Labour and Income Dynamics (SLID), Evans looked at changes in wages of women over time, controlling for education, work experience, and age.

He says, "I wanted to see if childcare programs would narrow the wage gap between men and women; if women's wages would grow faster than men's in Quebec after daycare was subsidized."

What he found surprised him - subsidized daycare had no impact on wages.

"I thought that employers might be offering women lower wages than similarly qualified men because women may be seen as being more likely to choose to leave the labour force after maternity leave," explained Evans.

According to Evans, other studies have found that when subsidized childcare was available, single mothers were able to work, where they would not before. As a result, Evans suspects that some women might take lower wage jobs, rather than not work at all, because with the subsidy they are still able to afford childcare. These lower paying jobs would pull the average wage of women down.

"On the other hand, women are likely to earn higher wages in the future because they are getting work experience now that they would not have had otherwise," said Evans. "These two competing effects, among others, may be masking the impact of childcare on the wage gap."

Brett says the results are useful. "Although, Dave may not have found what he anticipated, there have been many papers written on this topic, but these assumed that the wage gap was not influenced by childcare."

Evans plans to continue his research in economics at Carleton University next year in their master's program.

-reprinted from the Sackville Tribune

**Region:** New Brunswick <sup>[2]</sup>

**Tags:** economics <sup>[3]</sup>

mother's labour force participation <sup>[4]</sup>

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