

A BRIEF SUPPLEMENTING TESTIMONY TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON THE STATUS OF WOMEN ON ECONOMIC
SECURITY OF WOMEN IN CANADA

Thank you for the invitation to appear today and provide information on this important matter. Improving women's economic security and ensuring their equal participation in the Canadian economy is not a trivial matter. These goals are central to reducing poverty for women and children; for enabling women to fully utilize their talents, education and experience; and for maintaining and growing the Canadian economy, given a shrinking and aging labour force. Moreover, these goals are central to Canada's commitments to gender equality and fairness as social and economic rights, including commitments made as a signatory to the Convention on the Elimination of Discrimination Against Women.

Addressing the structural factors that lead to and perpetuate gender inequality requires a multi-pronged, comprehensive approach involving leadership at the federal level, and cooperation and collaboration with provinces and territories and non-governmental stakeholders. The recently completed report by the Canadian Feminist Alliance for International Action (FAFIA) provides strong arguments for addressing such issues as inadequate social programs; limited access to Legal Aid; Inequities in women's employment, including the importance of effective pay equity provisions; violence against women; barriers to education; and restricted access to health care. This multifaceted agenda can appear daunting in scope and magnitude, and will require concerted, sustained actions that are designed to achieve specific outcomes that are measurable and clear, informed by research and best practices.

There are positive steps that this government has taken and has committed itself to that are important to recognize. These include the appointment of a gender-equal cabinet, the re-instatement of the long-form census and the Court Challenges program, gender-based analysis of the federal budget, and a commitment to effective pay equity policies. In addition, the improved Canada Child Benefit is an important policy achievement, one that will directly affect the lives of many families.

Today, I will focus my remarks on inequalities that stem from women's caring labour – issues that stem from women's roles in their families as the main caregivers of children, the disabled, and the elderly that affect women's employment and career advancement, their health, and their financial resources. The challenges that women face can be addressed by improved policies, more workplace flexibility, and more adequate access to child care and home care services. The material I am presenting is based on research, including my own, and my observations of these matters over a 40-year career that has included participation in task forces, expert panels and planning committees.

CHILD CARE

For decades, there has been an inadequate supply of affordable, high quality child care in Canada – especially care for infants and toddlers, but also for school age children. Despite the fact that Canada has relatively high rates of labour force participation among women, including mothers of young children, access, affordability and quality remain serious problems – both for middle class families, and especially for those with lower incomes. This circumstance is directly related to the lack of public funding and policy development to build and sustain a national child care program.

A recent OECD report¹ found child care costs in Canada to be among the highest among 35 OECD countries. “Canadian families spend almost one-quarter of their income on child care, a ratio much higher than in other parts of the world... Across the OECD the average 2-income family spends about 15% of its net income on child care. In Canada, the ratio is as high as 22.2% of net income. And single parents, on average, fare worse – spending on average almost a third of their income on child care.”

Child care costs vary widely across Canada. In 2016, median monthly fees for infant care ranged from \$152 in Montreal to 651/month in Winnipeg to over \$1600/month in Toronto.² Even parents who have a subsidy can wind up with substantial out of pocket costs. For example, low-income families with a child care subsidy in Saskatoon and Calgary have out-of-pocket fees of almost \$500 a month for a preschooler.

In addition to high costs, the lack of access to regulated child care remains a serious problem. Wait lists are a common feature of centre-based care, with almost all the cities surveyed in 2016 reporting that at least 70% of centres maintain a wait list.³

High child care costs and the need to provide greater access to affordable early child care has been identified as a critical issue affecting women’s access to employment since 1970 and was recently cited in reports by TD bank, the IMF, and the Advisory Council on Economic Growth as an essential tool to increase women’s access to employment. Lack of affordable, quality child care may dissuade some women from employment at all, limit their access to education and training, and result in higher rates of part-time and precarious employment. Child care worries can also result in considerable stress, and opportunity costs, especially among women who work part-time or take longer periods of parental leave because they cannot find the quality of care they want at a price they can afford. Women and children are at increased risk of poverty, especially if they are single or their partner has a low income or if their child has a disability and is excluded from high quality, appropriate early childhood programs. Lack of access to affordable, high quality care increases women’s economic dependency, deprives businesses and

communities of women's talents and skills, and results in less tax revenue for governments. Moreover, lack of access to stimulating early childhood programs affects children's opportunities to learn, to interact with other children, and to participate in programs designed to promote their development – goals that are important for all children, but particularly for children with special needs and for newcomer families.

It is a paradox that despite high fees, early childhood educators and regulated home child care providers (almost of whom are women) are typically underpaid with wages that reflect neither their education and experience, nor their responsibilities. The most recent data available from a national study conducted by the Child Care Human Resources Sector Council (from 2012) found that median wages for child care centre teachers was \$16.50/hr. and \$22.00 for program directors. For full-time, full-year employment, this represents an annual salary of \$30,146 and \$40,194, respectively (25% of all program staff earned below \$14.00/hr). Working conditions for ECE staff suggested that only 43% of child care centre teachers had life insurance or disability insurance and only 38% had an employer-provided pension plan.⁴

Several studies indicate there are substantial problems with recruitment and retention of qualified staff and directors in child care programs as a result of low wages and the general devaluing of this profession. These systemic issues will not be resolved by tax credits or deductions for parents or token hourly wage increases. Research in Canada and elsewhere suggests that when ECEC is delivered through a market-based system that depends mostly on parent fees to cover the cost of services, it cannot provide adequate wages and working conditions for the ECE workforce who either leave the field or subsidize the cost of the services through their low wages.⁵ A related concern is the need to ensure that pay equity legislation and methods address the issues evident in the ECE workforce and other female-dominated work forces that have been historically underpaid.

Further concerns apply to women who provide care in their own homes. In most provinces, including Ontario, their position is very problematic. Regulated home child care providers are positioned as self-employed contractors to home child care agencies, but lack autonomy over their fees and conditions of work – resulting in many deciding to work outside the regulated system, especially when their education and experience is not recognized. Unregulated providers function outside any public monitoring, other than by parents, which results in highly variable quality – from excellent to life-threatening. Ironically, many home child providers initially start this work as a way to earn money and provide companionship for their own young children when they cannot access affordable, high quality care.

The vast majority of unlicensed home care providers lack access to government or agency-provided benefits, insurance, a pension, or training supports. The fact that in most provinces there are no requirements for licensing or training for these providers means that they operate “under the radar screen”. It does not have to be this way. In many European countries, home child care providers are licensed and affiliated with municipal authorities. In Quebec, home child care providers who are affiliated with a local Centre de la petite enfance have access to well-designed training and support programs and are covered under umbrella insurance and pension programs. Addressing wages, working conditions, access to training and professional development, and support when caring for children with special needs, as well as recognizing child care and early childhood educators as an important sector of the workforce is critical economically to sustain child care programs and services, the families and children who depend on them, and the economy.

MATERNITY/PARENTAL AND COMPASSIONATE CARE LEAVE

The federal government’s commitment to consider ways to make parental leave more flexible has raised considerable interest. Policy making in this area is complex, given that access to unpaid, job-protected leave is provided through the Canada Labour Code and provincial/territorial employment standards, while benefits are administered under the EI program (the exception being Quebec’s QPIP program). Indeed, it is possible for parents to be eligible for benefits, but not leave; leave but not benefits; both, or neither. Instances of changes in either leave provisions (such as the introduction in Ontario of *Family Caregiver Leave*) or benefits (such as the recent expansion of EI Compassionate Care benefits), can result in leave and benefits policies being out of synch with each other for some time, resulting in further confusion and precarity for new parents or caregivers.

Options for improving maternity/parental leave benefits that would improve economic security for women are: 1) expanding coverage by reducing the number of hours required to receive benefits; 2) removing the waiting period before benefits are provided; 3) improving the level of income replacement (currently 55% of earnings to a maximum of \$51,300 annually or \$543 per week); and improving the low-income supplement (available to those with a net family income of \$25,921 or less per year.)

Options for improving gender equality include introducing designated paternity leave and benefits, as is the case in Quebec and northern Europe.

Options for flexibility might include a scheme structured as Quebec’s QPIP model with income-duration options and/or options for better combining part-time employment with benefits.

Research indicates that a longer period of maternity/parental leave with comparatively low replacement benefits may have harmful effects on women's employment – resulting in lower rates of women's labour force participation, increasing the likelihood of changing employers, and increasing the maternal wage gap associated with leave taking.⁶ Lengthening the period of relatively low paid parental leave, which might appeal to a small number of women, is not a positive option and does not solve the problem of lack of affordable child care for infants and toddlers.

CAREGIVING FOR ADULTS WITH CHRONIC HEALTH CONDITIONS AND AGING-RELATED CONDITIONS – IMPACTS ON WOMEN

Recent research in Canada has heightened awareness of the challenges experienced by family members who provide care to children and adults with disabilities and those with aging-related impairments. According to Statistics Canada, 28% of Canadians regularly provided some form of care in 2012,⁷ and 30-35% of the Canadian workforce are combining work and caregiving.⁸

The prevalence of family caregiving has increased dramatically, especially as the population ages and individuals with chronic health conditions benefit from medical advances. Combining work and care is now normative, especially for individuals age 45 and older. While somewhat equal percentages of men and women provide some care, women provide more hours of care, and engage in tasks such as helping with bathing, dressing, meal preparation, etc. that must be done regularly. While many provide care willingly, doing so is not without its costs and those who provide care for more hours and shoulder more responsibility for care (more often women) incur higher costs.

Research conducted by Dr. Janet Fast and Dr. Norah Keating at the University of Alberta, myself, and others have identified the financial and employment costs caregivers experience. We found that higher proportions of women leave their jobs or retire from the workforce due to caregiving, miss more days of work, and are more likely to reduce hours of work.⁹ These employment consequences have direct effects on income, access to employer-provided benefits, and reduced pensions. The economic consequences also affect employers who experience costs related to absenteeism, reduced productivity, and costs associated with replacement of employees who quit or retire. Our calculations were that the cost to employers of care-related turnover and absenteeism in 2012 was close to \$13 billion.¹⁰

While the challenges of combining work and caregiving are not unique to women, it is clear that women experience greater consequences.¹¹ While Canadian employers are becoming more aware of the challenges faced by caregiving employees, they have been

slow to respond. Although some employers some offer flexible work options, our analysis of Statistics Canada data revealed that almost half of caregiving employees felt they could not use flex arrangements without risking their job security or future career advancement.¹² These findings suggest that a policy such as an enforceable right to request flexibility could be of benefit to women across Canada- and especially for women who are more likely to work in precarious jobs or in situations that lack workplace flexibility as part of the organizational culture or as negotiated through collective agreements.

Compassionate care leave benefits also need to be reviewed. While improvements have been made to this policy since its introduction in 2004 (broadening the definition of family members and more recently reducing the 2-week waiting period to 1 week and extending the benefit period from 8 weeks to 26), the criteria remain very restrictive and uptake remains very limited. According to the most recent (2014/2015) EI Monitoring and Assessment report, only 6,244 Canadians claimed Compassionate Care Benefits (71% of whom were women).¹³ The take-up rate for Compassionate Care benefits is quite low relative to the increasing number of employees with significant care responsibilities; some of whom combine paid work with 20 or more hours of care per week. Clearly there is a need to offer more flexibility and support to employed caregivers, so that they don't have to choose between jeopardizing their employment and income in order to provide the care and support their loved ones need.

IMPLICATIONS OF CAREGIVING COSTS FOR WOMEN'S ECONOMIC SECURITY:

Although caregiving responsibilities may be experienced at any age, more than 60% of caregivers are 45 years and older. Young carers (adolescents and young adults) may experience negative impacts of unsupported caregiving on their education and in the early years of work. Absenteeism, work interruptions and job loss among those 45 and older can result in difficulties getting back into the workforce, significant income losses, and curtailed pension benefits, potentially resulting in women experiencing poverty in their own senior years as a result of caregiving for others.

Specific options that would help reduce the negative economic and health consequences for women are:

- Improvements to caregiving-related leaves and compassionate care benefits – enabling leave for care related to a serious (not necessarily life threatening) health condition, as has been introduced in Ontario.

- Allowing leave to be taken more flexibly (e.g. combined with part-time work) with higher replacement levels of benefits.
- Consistency between provincial leave options and EI benefits provision
- A CPP drop-out option for caregiving (parallel to the provision for child-rearing)
- It is also recommended that the federal government review existing non-refundable tax credits for caregiving and make them refundable instead (which will be of greater benefit to low and modest income families). Caregiver tax credits should be permissible for expenses incurred when providing care to someone not living in the same household.
- Expansion of home care and rehabilitation services through provincial health services is essential for patients remaining in their own homes, and to reduce the health and stress-related consequences of caregiving. Access to community-based case navigators is also essential. This is crucial for caregivers.
- Funding for programs that support caregivers in their own right.

CONCLUSIONS:

There are many ways that government can act to improve women's economic security and ensure their equal participation in the Canadian economy. I have focused my comments mostly on issues that arise from women's unpaid care work and the problems that result from undeveloped policies and programs related to child care and adult/elder care. The recommendations below are meant to complement necessary improvements in other areas – including pay equity and obstacles to women's career advancement, the gendered effects of precarious employment, and tax provisions that disadvantage women.

Key recommendations, in summary, include:

* Effective pay equity policies, including mechanisms that address workers in female-dominated careers (such as child care and home care services).

* Accessible, affordable high quality child care is essential to reduce poverty, promote employment and further education, and provide substantial benefits to children's development. Addressing systemic issues related to wages and working conditions in ECEC can help address recruitment and retention issues and allow for significant employment growth in that sector. ECEC should be addressed through a comprehensive public policy approach that considers ECEC a fundamental right of children and families, much like education, rather than a commodity purchased privately.

- * Changes to maternity, parental, paternity and compassionate care leave and benefits are warranted, as they directly affect women's economic well-being and attachment to the labour force and impact on the well-being of family members.
- * Right to request flexible work arrangements legislation has been shown to be workable and positive in other countries. Best practices should be emulated in the design of the legislation (as in New Zealand) and resources developed to support employers in implementation.
- * A comprehensive approach to supporting caregivers of children and adults with disabilities and seniors with chronic health conditions is needed to reduce employment, economic and health consequences. This would include review of compassionate care leave and benefits, adoption of a CPP-drop out for caregiving, and review of non-refundable tax credits. Significant expansion of home care and rehabilitative services and supports for caregivers would help sustain family/friend caregivers and reduce caregiving burden.

Submitted by:

Donna S. Lero, Ph.D.
Professor Emerita, Dept. of Family Relations & Applied Nutrition
Jarislowsky Chair in Families and Work
Centre for Families, Work and Well-Being
University of Guelph
17 University Avenue, East
Guelph, ON N1G 2W1
Phone: 519 824-4120, ext. 53914
Email: dlero@uoguelph.ca

¹ OECD (2016), *Society at a Glance 2016: OECD Social Indicators*, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264261488-en>

² Canadian Centre for Policy Alternatives. (2016). *A Growing Concern: 2016 child care fees in Canada's big cities*.

³ *Ibid.*

⁴ Child Care Human Resources Sector Council. (2013). *You Bet We Still Care: A Survey of Centre-based early childhood education and care in Canada*.

⁵ Bird, S. & Halfon, S. (2015). *Piecemeal solutions get piecemeal results: Addressing wages in regulated child care in Ontario*. eceLink-Spring, 2015.

⁶ Gornick, J. (2015). Leave policies in challenging times: What have we learned? What lies ahead? *Community, Work and Family*, 18:2, 236-243.

⁷ Sinha, M. 2013. "Spotlight on Canadians: Results from the General Social Survey, Portrait of Caregivers, 2012." Cat. no. 89-652-X, no. 001. Ottawa: Statistics Canada. Accessed November 12, 2015. <http://www.statcan.gc.ca/pub/89-652-x/89-652-x2013001-eng.pdf>

⁸ Fast, J. (2015). Caregiving for Older Adults with Disabilities Present Costs, Future Challenges. IRRP Study No. 58. www.irrp.org

⁹ Fast, J., Lero, D., DeMarco, R., Ferreira, H. & Eales, J. (2014). *Combining care work and paid work: Is it sustainable?* Research on Aging Policies and Practice, University of Alberta, Edmonton.

¹⁰ Fast, J. (2016). *Reconciling paid work and unpaid care work: A critical review of the Canadian policy context.* Presentation to the Work and Family Researchers Network Conference. Washington, D.C.

¹¹ Fast, J., Lero, D., DeMarco, R., Ferreira, H. & Eales, J. (2014). *Combining care work and paid work: Is it sustainable?* Research on Aging Policies and Practice, University of Alberta, Edmonton.

¹² *Ibid.*

¹³ Canada Employment Insurance Commission (CEIC). *2014/2015 Employment Insurance Monitoring and Assessment Report.* 2014-15_EI_MAR_EN.pdf