



# Child Care in Post-Pandemic Canada

Toward a More Flexible Family Policy

Peter Jon Mitchell and Andrea Mrozek

September 8, 2020

CARDUS

The events of 2020 have presented many new challenges to employed parents as they have done their best to adapt to change in their paid work lives while also meeting their child-care needs. Children too have felt the interruption to their routines, and for some their education has also been affected.

The recent public conversation on child care has focused on the need for safety and for quickly increasing the supply of paid, regulated/licensed child care as a central lever in the economic recovery. The federal government has promised supplementary funding in addition to existing transfer agreements with the provinces, for a combined total for child care of approximately \$1.2 billion in 2020–2021.

The government's contribution will influence the options available to parents. Yet as our case studies of [Ontario](#) and of [British Columbia](#) reveal, the events of 2020 have also thrown into relief some of the drawbacks inherent in current child-care policies. Public policy that favours some forms of care over others has other problems too, some of which we mention in this brief.

We argue instead that the following three principles should undergird child-care policy in post-pandemic Canada.<sup>1</sup>

- Place the well-being of the child first.
- Recognize families' diverse situations and needs.
- Provide funding that all families can access equitably, and embed it in a comprehensive and flexible family policy.

## 1. PLACE THE WELL-BEING OF THE CHILD FIRST.

Long-term policy should not be developed in direct response to the realities of a short-term crisis, as serious as the COVID-19 pandemic has been. If tough cases make bad law, we might say that pandemics make for bad policy. Assisting Canadian families in their return to paid work is helpful, but framing child care as primarily an economic tool risks placing the best interests of the child in lower priority. Children are a precious and vulnerable population; their well-being and development should come first. Supporting the well-being of children and their families will have a positive impact on the economy.

One argument for implementing a universal system post-pandemic is to boost the economic recovery by increasing women's participation in the workforce. Quebec is often cited as the success story, since the advent of its "universal" provincial system correlated with women's increased labour-force participation. However, researchers Tarjei Havnes and Magne Mogstad argue that other policy changes at the federal and provincial level, implemented at the same time as the universal system, may have influenced maternal labour supply in

<sup>1</sup> For more information, please see Cardus, "A Positive Vision for Child Care Policy Across Canada," January 2019, <https://www.cardus.ca/research/family/reports/positive-vision-for-child-care-policy-across-canada/>.

Quebec, which was already distinct from the rest of Canada in this regard.<sup>2</sup>

Sound policy should follow the findings of reliable research on children's well-being. For example, an argument sometimes made in favour of policy that gives priority to universal care is that children need the socialization that such interaction with other children provides. Yet as we note in "[A Positive Vision for Child Care Policy Across Canada](#)," this idea is not supported by child-development science. What matters far more is that children form secure attachments with adult caregivers.<sup>3</sup>

Economists Michael Baker, Jonathan Gruber, and Kevin Milligan confirmed the correlation between universal care and increased maternal employment in Quebec, but also found worse outcomes for children, including decreased measures of motor and social skills and increased illness and aggression. The study also found correlations between the implementation of the program and increased hostile and inconsistent parenting.<sup>4</sup> Their later study published in 2019 concluded that "the negative effects on non-cognitive outcomes persisted to school ages, and also that cohorts with increased child care access had worse health, lower life satisfaction, and higher crime rates later in life."<sup>5</sup> Economists Michael J. Kottelenberg and Steven F. Lehrer replicated earlier work by Baker, Gruber, and Milligan, concluding in their award-winning paper that the results were indeed robust.<sup>6</sup> Later work by Kottelenberg and Lehrer found poor results were particularly present among boys.<sup>7</sup>

Research suggests that while there may be some benefit to universal, centre-based care for at-risk children, the outcomes for children and parents in Quebec overall are worrisome. If policy-makers prioritize the well-being of children, they must wrestle with the peer-reviewed research on the Quebec program.

## 2. RECOGNIZE FAMILIES' DIVERSE SITUATIONS AND NEEDS.

Different children have different needs, temperamentally, developmentally, and in other ways. The term "child care" encompasses the care of infants and school-aged children, though these are different life stages. For some children, being cared for by a close relative in a home setting may be best. Others may thrive in a larger and more boisterous environment that they travel to each day. Some children require additional services to

<sup>2</sup> Tarjei Havnes and Magne Mogstad, "Money for Nothing? Universal Child Care and Maternal Employment," *Journal of Public Economics* 95, no. 11 (2011): 1455–65, [https://econpapers.repec.org/article/eeepubeco/v\\_3a95\\_3ay\\_3a2011\\_3ai\\_3a11\\_3ap\\_3a1455-1465.htm](https://econpapers.repec.org/article/eeepubeco/v_3a95_3ay_3a2011_3ai_3a11_3ap_3a1455-1465.htm).

<sup>3</sup> See Cardus, "A Positive Vision," 25–27.

<sup>4</sup> Michael Baker, Jonathan Gruber, and Kevin Milligan, "Universal Child Care, Maternal Labor Supply, and Family Well-Being," *Journal of Political Economy* 116, no. 4 (August 2008): 709–45, <https://doi.org/10.1086/591908>.

<sup>5</sup> Michael Baker, Jonathan Gruber, and Kevin Milligan, "The Long-Run Impacts of a Universal Child Care Program," *American Economic Journal: Economic Policy* 11, no. 3 (August 2019): 1–26, <https://doi.org/10.1257/pol.20170603>.

<sup>6</sup> Michael J. Kottelenberg and Steven F. Lehrer, "New Evidence on the Impacts of Access to and Attending Universal Child-Care in Canada," *Canadian Public Policy* 39, no. 2 (2013): 263–86, <https://ideas.repec.org/a/cpp/issued/v39y2013i2p263-286.html>.

<sup>7</sup> Michael J. Kottelenberg and Steven F. Lehrer, "Does Quebec's Subsidized Child Care Policy Give Boys and Girls an Equal Start?," *Canadian Journal of Economics/Revue Canadienne d'économique* 51, no. 2 (2018): 627–59, <https://doi.org/10.1111/caje.12333>.

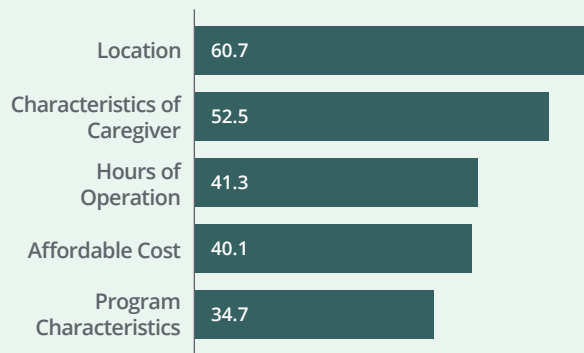
meet specific needs and challenges.

Needs also differ across families and communities. For some, child care is best provided by extended family members who live nearby and whose own circumstances are such that they welcome the caregiving role, either paid or unpaid. Other parents want to place their child in centre-based care, but this resource is not available in their local setting. Still others may need the caregiver to come into their own home. And some parents may adjust their work lives and goals for a time so that they can provide the child care themselves. Each family's needs and desires also shift over time as situations change. The federal government already recognizes diverse child-care needs and desires such as in the Indigenous Early Learning and Child Care Framework. Policy-makers must recognize and affirm the diversity of child-care choices and options for all families.

Independent social-policy analyst Rick August has examined survey data spanning several decades on parental preferences in child care. His conclusion is that "Canadian parents are strongly oriented towards a 'home and family' approach to child care for pre-school children."<sup>8</sup> He notes that this preference has been consistent over time and across regions.

As shown in table 1, Statistics Canada data informs us that the top reasons for parents' choice of setting for their child's care are location, characteristics of the caregiver, and hours of operation.<sup>9</sup>

**TABLE 1: Top 5 reasons for using main child care arrangement, Canada**



Source: Stat Can Table 42-10-0006-01

<sup>8</sup> Rick August, "What Child Care Do Parents Really Want?" Policy Brief, Johnson Shoyama Graduate School of Public Policy, August 2015, 3, <http://rickaugust.ca/what-child-care-do-parents-really-want/>.

<sup>9</sup> Statistics Canada, "The Daily—Survey on Early Learning and Child Care Arrangements, 2019," April 10, 2019, <https://www150.statcan.gc.ca/n1/daily-quotidien/190410/dq190410a-eng.htm>.

Statistics Canada survey data (table 2) also reveals that parents select various forms of care for the 60 percent of children under the age of six who receive some non-parental care.<sup>10</sup>

**TABLE 2: Type of child-care arrangement among those in non-parental care, household population aged zero to five years**

Type of Care Among Those in Non-parent Care	
Daycare centre/preschool	51.9
Relative other than parent	25.6
Non-relative in child's home	5
Family child care home	20.4
Before- or after-school program	9.3
Other arrangement	3.1

Note: Respondents selected all that applied resulting in a sum exceeding 100%

Source: Statistics Canada, [Table 42-10-0005-01 Type of child care arrangement, household population aged 0 to 5 years](#)

### 3. PROVIDE FUNDING THAT ALL FAMILIES CAN ACCESS EQUITABLY, AND EMBED IT IN A COMPREHENSIVE AND FLEXIBLE FAMILY POLICY.

This third principle follows naturally from the previous two. Parents should not be forced to choose between funding availability and the unique needs of their child and the unique situation of their families. Individual families are best placed to determine what is best for them. We argue for funding neutrality, equitably supporting families in a flexible manner.

Child care needs to be placed within a larger suite of family policies, such as parental leave, child benefits and subsidies, tax credits, and policy that generally helps families to make the best decisions for their children as they navigate their unique needs. Instead, federal policy to date has taken a heterogeneous approach, relying on a mix of cash benefits, tax refunds, and targeted programs. While this approach can complement the diverse needs of

The creation of government-funded “universal” child care systems is structurally opposed to the diversity children and families need. With Quebec-style “universal” systems, many families are excluded from significant benefit, violating the human-rights principle of equal benefit under the law. Taxpayer money is currently allocated based on the style of child care chosen, violating the principle of free choice without discrimination based on lifestyle choices.

“A Positive Vision for Child Care Across Canada”

<https://www.cardus.ca/research/family/reports/positive-vision-for-child-care-policy-across-canada/>

<sup>10</sup> Statistics Canada, “Type of Child Care Arrangement, Household Population Aged 0 to 5 Years,” July 30, 2019, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4210000501>.

families, it can also result in piecemeal policy across various ministries. The federal government's promised Child Care Secretariat should be aligned within a larger focus on a comprehensive family policy.<sup>11</sup>

The pandemic offers the opportunity to adjust current programs and policies such as child-care tax credits and parental leave, to name just two policies that could be reformed to better meet the diverse needs of families.<sup>12</sup> The federal government could enhance successful programs such as the Canada Child Benefit that parents can leverage toward the kind of care that best suits their needs.

## CONCLUSION

The global pandemic has highlighted challenges within child care in Canada. Many of these challenges reside at the provincial level, as we highlight in our British Columbia and Ontario case studies. Yet the federal government has an opportunity to refocus its support in equitable ways that address the diverse needs of families. There are already signs that the pandemic will shift the way that families engage paid and unpaid labour in the future. Rather than turning to a one-size-fits-all policy proposal from a different era, the federal government should look ahead and focus on providing provinces with flexible multilateral agreements while seeking a cohesive family policy for Canada.

<sup>11</sup> Justin Trudeau to Ahmed Hussen, "Minister of Families, Children and Social Development Mandate Letter," website of the prime minister of Canada, December 13, 2019, <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-families-children-and-social-development-mandate-letter>.

<sup>12</sup> Ken Boessenkool, "Change the Child Tax Deduction to Address the Coming Child Care Shortage," C.D. Howe Institute, May 2020, <https://www.cdhowe.org/intelligence-memos/ken-boessenkool-%E2%80%93-change-child-tax-deduction-address-coming-childcare-shortage>; Kathryn Marshall, "Reform Maternity Leave to Meet the Needs of Modern Women," *National Post*, May 20, 2020, <https://nationalpost.com/opinion/kathryn-marshall-reform-maternity-leave-to-meet-the-needs-of-modern-women>.



**CARDUS FAMILY** conducts, compiles, and disseminates Canadian research on family and marriage and their strengthening impact on civil society.

CARDUS

[cardus.ca/research/family](https://cardus.ca/research/family)

