HUMAN
EARLY LEARNING
PARTNERSHIP

Fact Sheet | 2011

A New Deal for Families

There is a silent generational crisis occurring in homes across Canada. The Generation raising young children today struggles with less time, stagnant household incomes, and skyrocketing housing costs compared to the 1970s. The failure to invest in the generation raising young children is not consistent with Canada's proud tradition of building and adapting.

UNICEF ranks Canada among the worst industrialized countries when it comes to investing in young families.

Canada has become a country in which it is far harder to raise a young family. The country's economy has doubled in size since the mid-1970's, yet the new reality for parents with preschool children is a decline in the standard of living. Compared to the previous generation, the average household income for young Canadian couples has flat-lined (after adjusting for inflation) even though the share of young women contributing to household incomes today is up 53 per cent. Meanwhile, housing prices increased 76 per cent across the country since the mid-1970's.

The generation raising young children today is squeezed for time at home, squeezed for income because of the high cost of housing, and squeezed for services like child care that would help them balance earning a living with raising a family.

A practical solution is proposed: A New Deal for Families with Young Children.

This New Deal will provide a Time Dividend to families, to ensure that the generation raising young children accesses 2.8% of the economic prosperity produced today compared to the mid-1970s.

The Time Dividend will:

...put the family back into Canadian values, while acknowledging the diversity of households, and recognizing the very different circumstances facing parents today compared to the Baby Boomers;

...provide choices for women and men to contribute at home and on the job, while enabling personal responsibility for moms and dads alike as they have enough time to raise their kids, and enough time to earn a living.

The New Deal is centered on three core policy changes:

1. **New Mom and new Dad Benefits** will ensure all parents, including the self-employed, have the time and resources to be at home with their newborns, at least until children are 18 months.
2. Thereafter, **$10 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.
3. These will be supported by **flex-time for employees and employers** to remedy workplace standards that too often make it standard practice to ignore the family.

A full description of these policy changes is detailed on the second page of this brief.

The New Deal for Families would substantially increase parental care of infants and, in most cases, family income. In addition, the New Deal provides families with increased access to high quality, affordable child care services and parenting support programs.

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A NEW DEAL FOR FAMILIES

The evidence is clear. The generation raising young children is getting a bad deal across Canada. The only solution is a New Deal for Families, a strategy that requires three policy changes:

NEW MOM AND DAD BENEFITS

WHY?

To transform the uneven access to parental leave into a benefit system that ensures all parents, including the self-employed, have the time and resources to be home with their newborns.

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). Introduce a healthy child check-in and parenting support program during a child's first 18 months to monitor for early developmental delays and to answer parents' questions regarding children's feeding, sleeping, crying, etc.

DETAILS

Benefits would be available to ALL single- and dual-earner households regardless of parents' attachment to the labour market (including the self-employed). Moms and dads who currently do not qualify for leave would see their after-tax income increase by at least $11,000 in the 12 months following the birth of their child. Leave would be made affordable by insuring 80 percent of parents' income up to $60,000 a year. This increase will double the existing maximum benefit. The new minimum benefit will be $440 weekly, enough to eradicate child and family poverty for this age group.

$10/DAY CHILD CARE SERVICES

WHY?

To remedy the current system of unregulated, unaffordable child care services, thus ensuring that parents can spend enough time in employment to manage the rising cost of housing and stalled household incomes.

HOW?

Reduce child care service fees to no more than $10/day (full-time) and $7/day (part-time) making it free for families earning less than $40,000/year. Ensure quality services by providing funding for ample caregivers on site so that children spend their time in developmentally stimulating activities and play, including children with extra support needs. Caregivers will have appropriate training in child development and will be paid pay equity wages.

DETAILS

Universal, affordable child care services would support healthy child development by supplementing, but never replacing, the care that families provide directly. Families could choose to use the services regardless of parental employment. Families could also choose to access parenting support even if they do not use child care services. Programs will reflect the diverse cultures in local communities. Where numbers permit, families could choose programs that feature a language other than English or French in recognition that Canadian families speak many languages at home. For Indigenous citizens, funding is allocated to enrich services that prioritize exposure to the languages and cultures of First Nations, Métis and Inuit as part of Canada's commitments to Truth and Reconciliation.

FLEX-TIME

WHY?

To remedy workplace standards that ignore the family by ensuring all employees can choose to combine work and family successfully.

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 3-5 hours on average for the half of men and the third of women who currently work more than 40 hours/week. These employees would trade some after-tax wages (or future wage increases) in order to gain four more weeks of time per year. In negotiation with employers, this time could be taken in chunks, or as earned hours away from work each week throughout the year. Changes to the National Child Benefit Supplement will ensure any reduction in employment hours does not reduce income in low-earning families. This may be especially important for some lone parent households. Employees who currently work part-time hours would gain opportunities for more employment. Within two-parent homes, flex-time may not change the total hours that parents work, but redistribute them more evenly between dads and moms.

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From a **BAD DEAL**

to a **NEW DEAL**

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