

The Value of Unpaid Child Care and Paid Employment by Gender: What are the Impacts of Low-fee Universal Childcare Program?

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This paper presents an estimate of child care provided by parents, together with other unpaid household activities, and paid employment over time in Canadian provinces for the period 1998 to 2015. The paper finds that women accounted for about 60% of hours spent on unpaid child care and other household activities in 2015 and their share is declining over time due to their increased labour force participation. The value of unpaid child care and the value of other unpaid household production was each estimated to be about 15% of GDP in Canada for year 2015 and changed little over the period from 1998 to 2015. The paper confirms the previous findings that the low fee child care in Quebec increased the employment rate of women and increased the utilization of paid child care in Quebec. The low cost child care is estimated to have increased the employment rate of mothers with children by 7 percentage point by 2015, which translates to a 9 percent increase in the hours of worked of mothers with children. This paper does not provide evidence in support of the hypothesis that low cost child care may lead to a substitution of paid child care for unpaid child care provided by parents, as there was little difference in the trend in unpaid child care between Quebec and other provinces. Therefore, the effect of low cost child care is to increase the utilization of paid child care which provides the opportunities for women to enter the work force. There was also little difference in the impact of the low cost child care on the employment rate and the hours worked of mothers between immigrants and native born and between low income and high income households. That is, both immigrants and native born and low and high income households benefitted from the low cost child care in terms of increased employment rates."