



HORIZONS

P O L I C Y R E S E A R C H I N I T I A T I V E

Work and Life Balance

Better Choice, Flexibility and Policy Opportunities

As in other OECD countries, there is a debate in Canada on how to better reconcile work and other aspects of life. This debate results from the important economic and social changes of recent decades. With globalization and rapid techno-

logical advances, more is demanded of workers. At the same time, the normative family has changed from a one-earner to a two-earner model, with more diverse living arrangements. And, as we have identified in a previous issue of *Horizons* on population aging (2004,

Volume 6 Number 2), the future will bring more pressures on prime-age workers, because of the coming retirement of baby boomers.

There is evidence that many people feel under pressure during the hectic "rush hour of life," when children, education, and work lay competing claims on limited time. All too often, these tensions bring stress to an appreciable segment of the population. In some cases, they lead to increased absenteeism, missed opportunities for advancement, mental health problems, even withdrawal from the labour market. Part of the problem lies in our institutional arrangements, which were designed to accommodate the traditional family and life-cycle pattern: education for the young, then

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INTRODUCTION (CONTINUED)

working careers (especially for men), followed by retirement. It may be necessary to review these institutional arrangements carefully so they better reflect the "new" contemporary Canadian society, to address successfully the new economic, social, and demographic challenges.

The important social and economic changes of an aging society have been examined in the PRI's Population Aging and Life-Course Flexibility project. *Encouraging Choice in Work and Retirement* outlined the likely economic, fiscal, labour market, and social impacts associated with an aging population as well as the potential economic and social gains which could derive from more flexibility of choice regarding how time is allocated among work, family responsibilities, leisure and learning throughout the life course. In this edition of *Horizons*, we discuss the current state of knowledge on the work-life allocation of

time and related consequences, and highlight some of the policy strategies adopted in other countries in addressing similar challenges.

This issue also features several contributions touching on issues related to work-life balance in a context of population aging, from federal departments (Human Resources and Social Development, Status of Women Canada, Health Canada, and Statistics Canada), as well an academic perspective from Roderic Beaujot of the University of Western Ontario. We thank them all for their contributions, and hope this issue will provide useful background and insights for researchers and policy analysts.

Jean-Pierre Voyer

Executive Director

Work-Life Balance in an Aging Population

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Many Canadians have problems with conflicting demands on their time. Various identified as “work-life balance,” “work-family balance,” “work-family and family-work interference,” “time crunch,” “time stress,” or “role overload,” too many time demands on daily life can drain our energy, affect our health, and undermine our productivity.

The PRI has been working collaboratively with other federal departments and with the research community involved in the Population Work and Family Collaboration (PWFC)² to assess this problem and place it into a policy context. Consistent with the PRI mandate, we take a “whole of government approach,” considering the issue from a broad policy perspective.

There is much still to be known about this subject, although central factors, such as the increase in total working time of women over the past few decades, have become clear. Work-life imbalance is often identified with full-time employed women in families with young children, and those caught with both young children and demands for care of older relatives. However, the evidence suggests it is a broader issue that, increasingly, affects men as well. It can interfere with life roles and objectives at various stages of our diverse life courses.

In this article, we summarize current knowledge of the issue as well as recent policy developments in other countries. We then place it into a Canadian policy perspective, and suggest a flexible approach for policy makers to consider, even while some areas remain to be informed by further research.

Work-Life Balance

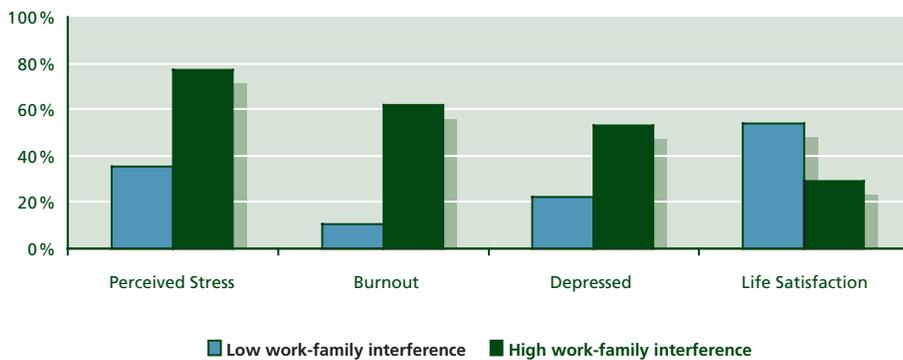
Some major life spheres in which we play roles are work, family, and community. Social Development Canada (2004) suggested that work-life balance is achieved when the participation in each of the domains of our lives does not impinge on the others to the point of causing “grief, stress or negative impact.”

Those who have balance are satisfied with their work and home lives, are able to fulfill their multiple responsibilities at home, work and in the community without guilt or regret, are healthy physically, emotionally, and socially, have a sense of control over their life, and feel that the decisions they make are informed choices as opposed to forced sacrifices (SDC, 2004).

However, there is evidence that work-life balance has deteriorated for many Canadians. According to the General Social Survey of 1992, 23 percent of women aged 25-44 and 16 percent of men aged 25-44 felt severely stressed due to time pressures. By 1998, those percentages had increased to 29 and 25 percent, respectively. Research by the Conference Board of Canada (MacBride-King, 1999), and Duxbury and Higgins (2001) suggested that 30 to 50 percent of workers could be stressed by work-life imbalance.

The costs of work-life imbalance touch both employees and employers. From the employers' perspective, they may include lower productivity, higher absenteeism, and higher workers' compensation claims. The research data in this area are still limited, but a number of studies have been identified

FIGURE 1
Work-Life Balance and Employee Health



Source: Duxbury and Higgins (2003).

by Social Development Canada (2004) as well as Human Resources and Skills Development Canada (HRSDC).

Those who experience work-life imbalance, according to Social Development Canada (2004) are three times more likely to suffer from heart problems, infections, injuries, mental health problems, and back pain and five times more likely to suffer from certain cancers. Duxbury and Higgins (2003)³ found that 77 percent of those claiming to experience high work-to-family interference also had high perceived stress, compared to only 35 percent of those with low work-to-family interference (see Figure 1). Those who experienced high work-to-family interference were also six times more likely to suffer from “burnout” than those who experienced low interference, and more than twice as likely to be depressed. Figure 1 illustrates, in the firms covered by the Duxbury-Higgins study (2003), the close relationship of work-life imbalance and health factors.

Causes of Work-Life Imbalance

A dramatic social change of the past half century, which paralleled the trajectory of the baby boom in their labour-force years, was the transformation of the normative working family from a one-earner to a two-earner model. The massive increase in the participation of women pushed up the number of total hours each family now supplies to the labour market. This, in turn, makes it more difficult, and often stressful, for people and families to fulfill their other roles. It may also be a factor in the decline in fertility rates.

Although this change has been dramatic, it has taken place against a background of economic developments that also shape and contour the demand from the work side.

Restructuring the Economy

The nature of work has been changing, due in large part to globalization and the revolution in information and

communications technology. Market liberalization, global supply systems, and technological advances are transforming the arena in which Canadian firms compete. The pace of work is quicker. The place and time of work is becoming more ubiquitous as cell phones, the Internet, the Blackberry, and the 24-hour economy take hold. The type of work is changing to reflect a more information and service-oriented economy.

As industries increasingly specialize to vie for market share, they are requiring their work force to become more highly skilled. In 2003, according to HRSDC, 55.8 percent of all occupations required a high-skilled worker. The only two types of skills forecast to experience increased demand between 2003 and 2013 are occupations requiring a university degree or managerial capabilities.⁴

Research by PRI and Statistics Canada indicates that people with higher levels of education devote a greater percentage of their time to work over their life course. As shown in Figure 2, working-age Canadians born in 1970 with at least a BA degree will work 23.6 percent of their total (life) time⁵ while those with only some high school will work 19.7 percent of their total time. The difference decreases as education differentials decrease.

While the total proportion of time spent working is a factor in work-life balance, the intensity, responsibility, independence, and timing of work are also important. A major characteristic of the changing economy is a rise in non-standard work. Part-time, temporary, multiple-job, contract, and

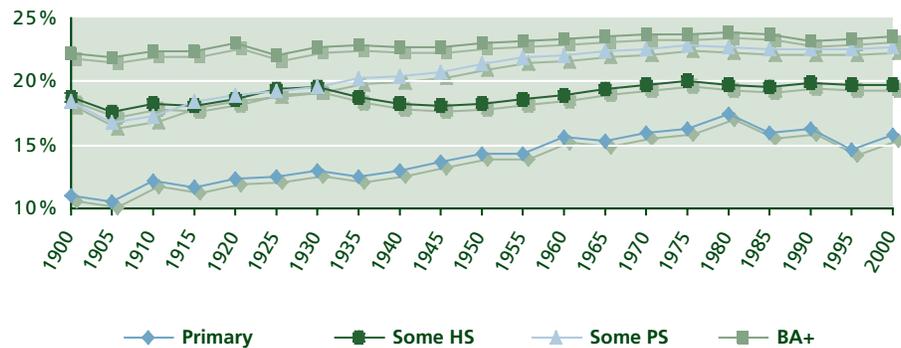
self-employment work arrangements have been increasing. Because of overlaps among these categories, the trends are difficult to measure in a precise way. According to Saunders (2006), about 37 percent of the labour force was employed in non-standard work⁶ in 2001, up from about 33 percent in 1989 which, in turn, was substantially higher than a decade earlier.

Not all non-standard work is unattractive or unwanted. Nor is all low-paying work included in the non-standard category. While non-standard jobs are more likely to be characterized by poor pay and lack of security, these jobs can also, in some instances, relieve work-family imbalance. Marshall (2000) found that 73 percent of all part-time workers held part-time jobs by choice. Only one part-time worker in ten claimed that work caused stress compared to four in ten full-time workers. As well, part-time workers were more likely to be satisfied with their work-family balance.

So not surprisingly, the most commonly cited reason for working part time for women was family responsibilities, as they cut back on working time to balance their home life. As 70 percent of all part-time workers have been women over the past three decades (Statistics Canada, 2001) it appears they often do so to balance work and family. Whether the women working part time would prefer to work full time had they fewer family responsibilities, is not clear.

Another contribution to stress is the precariousness of work as more firms hire on a contract or temporary basis. Tremblay (2004) stated that concern

FIGURE 2
Share of Paid Work in Total Time Between Ages of 25 to 54, by Education and Birth Cohort



Source: LifePaths Model, Statistics Canada.

for becoming unemployed, and having insecure ties to the labour market are also sources of stress. Rarely do workers in non-standard jobs receive company benefits in the form of pensions or health coverage. Often, there are also limited means for advancement or training.

Given that more highly educated individuals work more while those with fewer skills have more unstable jobs and less health and income security, it is difficult to discern which group would be at higher risk for work-life imbalance. Both groups are at risk, and as their share of the work force increases in response to the changing economy, the work-life imbalance could intensify.

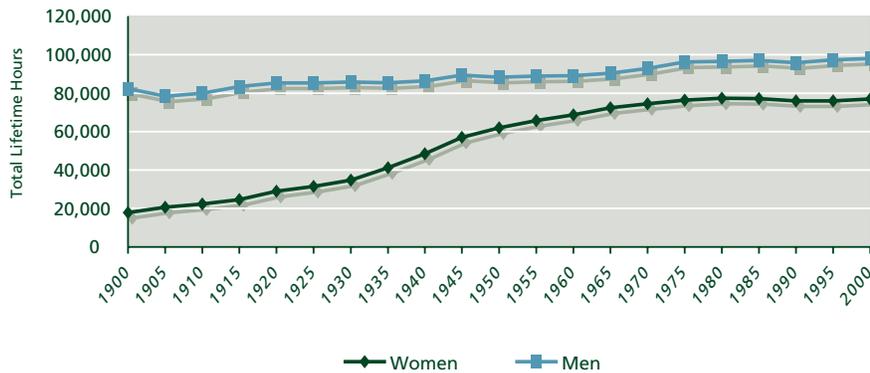
Transformation of Female Work Patterns

While the changing nature of paid work has a substantial impact on work-life balance, the largest effect appears to have come from the rebalancing of paid and domestic labour. A major change that has blurred the

lines between home and work responsibilities is the migration of women into the labour market. As shown in Figure 3, women born in 1940 will work for pay for about 48,000 hours over their lifetime on average compared to 86,000 hours for men. For the 1970 cohort, the difference in paid hours worked between women and men is forecast to decrease by about 50 percent with women working 74,000 hours compared to 93,000 for men. The difference then will remain relatively stable if current patterns continue.

The increase in women's labour market participation has transformed the "breadwinner-homemaker" family model, where the man usually worked full time for pay while the woman worked unpaid in domestic tasks, at least during the child-raising period. Dual-earner families now outnumber the more traditional model. In 1976, 36 percent of all women in two-parent families with children under 16 were employed. This almost doubled to 62 percent by 1997.

FIGURE 3
Total Lifetime Hours of Paid Work per Capita (including travel time) by Birth Cohort and Sex



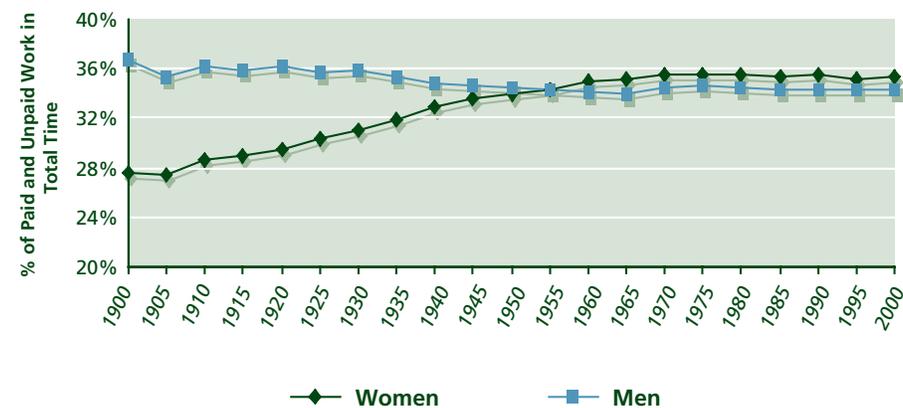
Source: LifePaths Model, Statistics Canada.

Despite the increase in total family time devoted to paid work, and the consequent pressure on families to fulfill their other responsibilities in the fewer hours available, many workplaces still assume that the worker, whether woman or man, will work free of interference from domestic responsibilities. According to Appelbaum et al. (2002): “This model of organizing paid and unpaid work

has left most...working families anxious about their ability to care adequately for their children and aging relatives, stressed by the demands of work, and starved for time.”

Working age women have dramatically increased the proportion of their total time spent in paid work and domestic work, while men have actually seen a slight reduction (See Figure 4). According to results from

FIGURE 4
Share of Work Time (paid and unpaid) in Total Time Between Ages of 25 to 54, by Birth Cohort and Sex



Source: LifePaths Model, Statistics Canada.

LifePaths, the share of paid and unpaid work for working age women is expected to equal that for working age men for individuals born in 1955. The share of total work for women is actually forecast to surpass slightly that for men in cohorts born after 1955. So while women increased their time in the labour force, men did not increase proportionally their time in domestic work. As Gornick and Meyers (2005) stated: “The ongoing struggle of many families to find a manageable and equitable balance between work life and family life is rooted in a long history of gendered divisions of labour.”

In total working time, families tend to divide labour relatively equally between genders. However, women spend more of their non-paid work time with family and domestic activities. In 1998, employed mothers who had children under 5, spent double the amount of time on personal child care activities than men – 91 minutes per day for mothers compared to 47 minutes for fathers. The General Social Survey found that women also spend more time on elder care than men; five hours per week compared to three for men. According to Phipps and Macdonald (2005), women still take on the management role of domestic work even when there is more gender equity in the home, which may also add to their stress load. Women therefore experience more conflict between their paid and family roles (see also Beaujot and Liu, 2005; Goldscheider and Waite, 1991; Kempeneers, 1992).

Another problem becomes evident

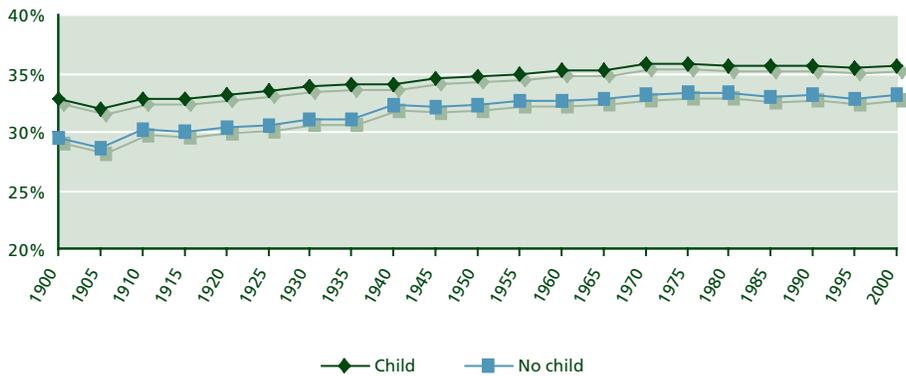
when the issue is viewed from a life course perspective. When women work part time to provide a better balance, they trade off current income in return for lower stress and happier family lives. However, they are also incurring potential lifetime disadvantages in having their human and social capital decrease at a crucial point in their career. Their lifetime earnings and retirement situation may be affected. With current evidence indicating that marriages and unions frequently end in separation, the lifetime price may also not be shared equitably.

Not surprisingly, the problem grows with the presence of children. As Figure 5 illustrates, individuals with children have a higher share of paid and unpaid work in total time than those who do not have children. Of individuals born in 1970, those with children will work 36 percent of their total (life) time in paid and unpaid tasks while those without children will work 33 percent of their time.

As Figure 5 illustrates, the percentage of time spent in work between the ages of 25 and 54 does not fully reflect the percentage of total work done at different ages of children. The time demands on parents are higher for younger children. However, as shown in Figure 6, while hours of weekly work are greatest when children are less than a year old, the level of stress is actually the highest when children are between the ages of 6 and 12. Studies done by Guérin et al. (1997) and Tremblay (2004) found that the age of children is a bigger factor in

FIGURE 5

Share of Paid and Unpaid Work in Total Life Time Between Ages 25 to 54, by Birth Cohort and by Presence of Children



Source: LifePaths Model, Statistics Canada.

work-life balance than the number of children.

An area in need of more clarification is the impact of family relations on work-life stress. Separation and divorce rates have increased over the same time period as the increase in women's participation rates. Do relationship difficulties play a role in work-life imbalance? Barnett (2003), in a number of

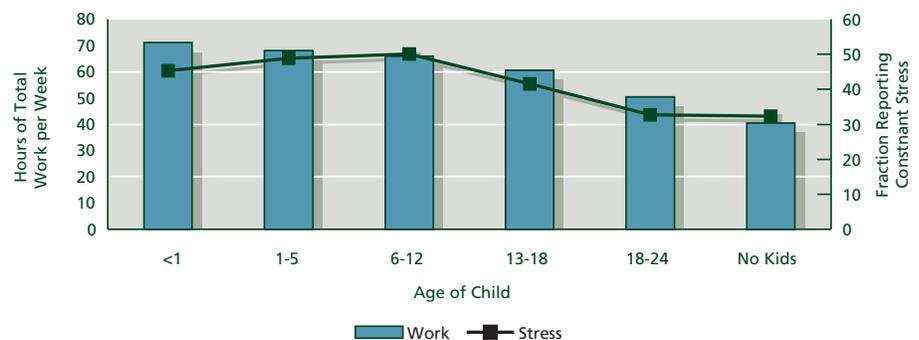
qualitative studies, suggests that the quality of relationships in the home can have a significant influence on perceptions of work-life balance.

An Aging Society

It is becoming clear how the social and economic changes during the labour force years of the baby boom have changed the balance of work and other responsibilities within families.

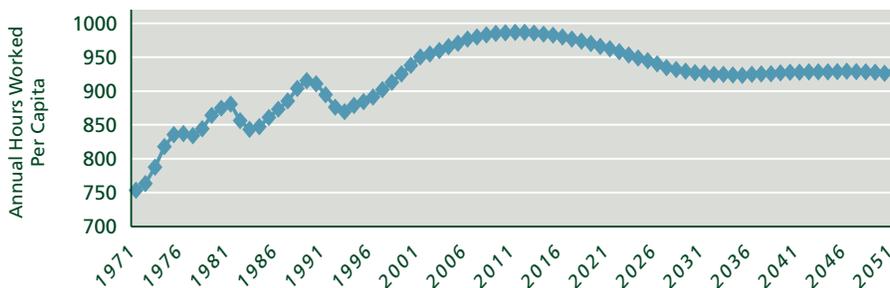
FIGURE 6

Work and Stress According to Presence and Age of Children



Source: General Social Survey, 1998, Statistics Canada.

FIGURE 7
Labour Supply Relative to Total Population 1971-2051



Source: LifePaths (Statistics Canada) using assumptions developed by the Interdepartmental Working Group on Population Aging and Life-Course Flexibility.

But what of the future?

Like many societies, the Canadian population is aging. In 1981, the share of the total population aged 65 and over was eight percent. By 2011, that share will almost double to 14 percent and will near 20 percent by 2021. The aging of the population is rooted in three big changes: increasing life expectancy, the long-term decrease in fertility which took place over the late 19th and 20th centuries, and the baby boom following World War II, when there was a substantial, though temporary, increase in fertility rates. Between 1950 and 1960, the average number of births per woman was 3.7. The number of births fell to 1.8 in the 1970s, and has decreased a bit more since.

As the baby boom cohort moves into retirement, the proportion of the population in the labour force age range will change and decrease, although the actual supply of workers could continue to grow slowly for several years. In a recent publication (2005),

Encouraging Choice in Work and Retirement, the PRI and Statistics Canada developed a sophisticated projection of future labour supply (Figure 7). The data suggest that even with the mitigating factors of increased female participation, and an increase in total number of working hours over individual lives, which results from increased levels of education, the total labour supply relative to the size of the population will be in gradual decline between 2013 and 2031.

This projection suggests that we are now in the “golden years” in the ratio of working time to population. As the ratio begins to decline, it will resemble that of previous times with the exception that the non-working population will increasingly be elderly, rather than children. This will bring its own set of challenges to fiscal balance as well as to the capacity of the economy to continue growing. Economic growth will become more dependent on increasing productivity.

The decreasing relative labour supply

will likely stimulate measures and incentives for increased work effort, as well as for increased productivity. If people increase their working hours, it could possibly exacerbate current problems of work-life balance, stress, and conflicting role demands. This could perpetuate and even further reduce the current low fertility rates. It will be a public policy challenge to respond to the need to maintain labour supply while also trying to improve individual and family well-being.

Increasing Need for Elder Care

Demand for elder care will also be a concern for work-life balance. In 1980, there were 7.6 individuals aged 40 to 64 for every individual aged 75 and over. By 2010, there will be only 5.6 individuals aged 40 to 64 for every individual aged 75 and over and this number will decrease to 3.2 by 2030.

Again, women provide more elder care than do men. As illustrated in Figure 8, employed caregiving women are twice as likely as employed male caregivers to have changed their work patterns or to have reduced their work hours. Women are also more likely to have declined a promotion or quit a job because of their caregiving responsibilities.

However, while the demand for elder care will increase, the impact of the increase is not as clear, since the “release” of the baby boom into retirement will also provide an important source of caregiving potential. Moreover, a healthier older popu-

lation may be able to provide substantial amounts of mutual care for many years.

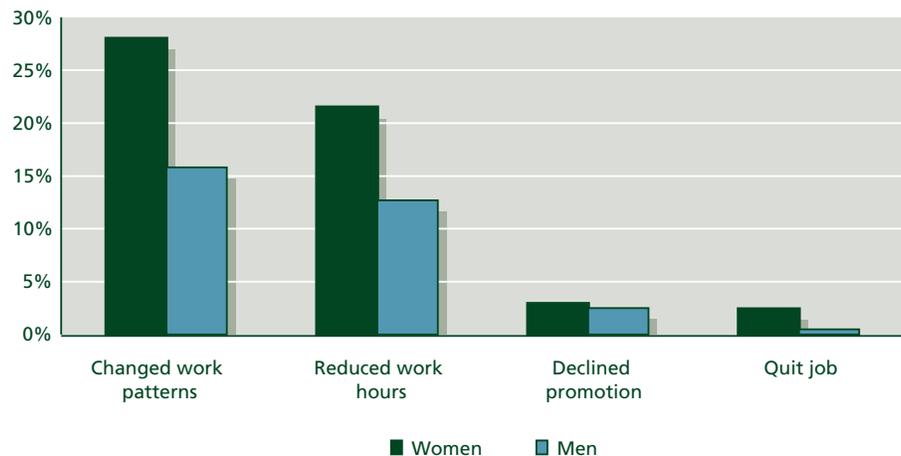
Policy Perspectives on the Issue

While we have only limited knowledge of the broad range of problems associated with work-life imbalance, the dilemma for families with young children is clearer. Work-life balance is a problem. Women have increased their overall working time, and are bearing the larger share of the stress that comes from managing the adjustment in relation to the family. Their life experience has changed in a revolutionary way; for men, the change has been evolutionary, at least in respect of family matters. Nonetheless, it is significant that stress levels reported by men, while still lower than those of women, did increase by a larger factor than for women between the General Social Surveys of 1992 and 1998, as reported earlier. In fact their levels of severe stress reported in 1998 surpassed the measure for women in 1992. So it may be that some of the stress-causing responsibilities are being shifted in the context of an overall increasing incidence. Men may be gradually taking on more domestic responsibility and showing some of the associated stress.

Private and Public Risk?

There was a time when a matter, such as work-life balance, would have been considered a private concern for families to work out. But when the economy, as well as families' ability to live at prevailing community standards, depends on the supply of two workers

FIGURE 8
Prevalence of Workplace Adjustments Due to Caregiving Requirements



Source: Facts (2005).

per family, and when the fertility rate continues to drop, private risks tend to be redefined as public risks. The policy questions are important.

- In seeking to keep labour supply up, what is the appropriate goal? Two full-time workers per family? One and a half?
- Given that current domestic/caring work is still weighted on the side of women, a policy that supports part-time work for one spouse would also tend to support the status quo in relation to the gendered division of labour.
- On the other hand, a policy leaning toward greater provision of public services, such as child care, accompanied by flexible leave time provisions with incentives for leave directed to men, would tend to lead toward more equality in domestic labour and greater overall labour supply.

- If we maximize labour supply, will it be possible to increase fertility rates? Can work be made more family friendly?
- Could we find a way to relieve the pressure on workers during their child-raising portion of the life course, and recuperate it through more efficient transitions from school to work, or from longer working careers, especially given the increasing number of years spent in healthy retirement?

And finally, to make it just a bit more difficult, we should add that it will be increasingly important for workers at all ages to be enabled constantly to increase their skills and competencies, which tends to require some time as well.

Governments in Canada and in other countries are becoming more aware of these questions. They are keen to keep employment participation levels as high as possible, while also seeking to foster healthy families and cohesive societies. Of course, consideration of future policy measures must take account of the potential for the issue to correct itself. Can families solve part of the issue by a more appropriate distribution of overall paid and unpaid work responsibility? When some portion of potential income is sacrificed in favour of healthier family life, do the rewards offset the costs? Will employers adapt their workplaces to provide more flexibility and family-related benefits?

There are also many ways in which the market can influence work-life balance. As the baby boom retires, a tightening labour market should increase the bargaining power of employees. Firms will be more willing to take the demands of workers into consideration, and will offer more work-life balance options. In addition, if work opportunities become more widespread and attractive, individuals who were not working, or working part time, will increase their work levels.

As higher wages increase the returns to education, individuals have a greater incentive to upgrade their skills. It is not clear though, how increasing education will affect the work-life balance. Professional and managerial groups often have access to more enlightened employer policies and to more independence and flexibility. Lero et al. (1993) found that 43 percent of senior and middle managers had access to

flexible work schedules while only 23 percent of unskilled workers did. Tremblay (2004) suggested that these workers often don't take advantage of those policies, because their workload and responsibility are too great. Despite access to work-life policies, they are the ones who say they work too much.

Another aspect to take into consideration is the change in the composition of aggregate consumption as the popu-

When women work part time to provide a better balance, they trade off current income in return for lower stress and happier family lives.

lation ages. We do not know enough about the impact of technology, or of purchased services and products, on the stress or ease associated with different family roles. Clearly, one option being chosen by Canadian couples currently is for one, usually the woman, to work part time and forego increased consumption in return for more family time. For those who choose for both partners to be full-time employed, will they use their increased buying power to alleviate their family-related stress?

With the prospect of earning higher wages, workers may increase their work effort. If they do not use the extra income to alleviate their domestic workload, they could increase existing work-life imbalances. According to Benjamin et al. (2002), overall labour supply elasticities are positive (about 0.25 on average) meaning that a wage increase will tend to lead Canadians to work more rather than take more leisure. As Adam Smith put it: "Work-

men, on the contrary, when they are liberally paid by the piece, are very apt to over-work themselves, and to ruin their health and constitution in a few years" (Smith, 1776: 83).

According to Drolet and Morissette (1997), workers who desire fewer work hours with proportionately lower pay are precisely those with higher education – professionals and managers – individuals who tend to already work longer hours. Those who would like

more hours and more pay are more likely to have lower education levels and to be working less than full time. However, the 1998 General Social Survey reported that 94 percent of all workers said they were either satisfied with their work hours or wanted more while only six percent said they wanted fewer hours. So it seems that Adam Smith may still have it right.

In years past, unions have played a major role in the development of workplace provisions, including those favouring work-life balance. However, their presence and impact in the present economy has decreased. Fewer than 30 percent of workers belong to a union, and in the private sector, it is even more limited. Nonetheless, collective agreements do contain long lists of work-life balance policies and practices. It may be that some practices adopted in agreements will become references for other employers as they seek to recruit workers in future tight labour markets. Changes

to labour codes may also arise due to pressures from workers through political action.

Recent Policy Developments in OECD Countries

Canada is not alone in facing these challenges. Many developed nations also realize that their breadwinner/homemaker models of work have changed. Other countries are also feeling the effects of globalization and the changing workplace. In response to these changes, many governments have introduced new provisions to improve work-life balance. Some have developed public policy systems for family, workplace, and even life-course flexibility.

One of the most developed policy areas pertains to the care of children. There are varying degrees of coverage for parental leave and child care. Sweden, Denmark, France, Finland, and Belgium have some form of public day-care available to all parents, some of which are integrated within the broader educational system. For example, Swedish law enforces that municipal governments make pre-school and after-school care available for children from one year of age and up. Although the parental share of child-care costs used to be between 20 and 25 percent, it was reduced to 11 percent in 2002. In Finland, the maximum monthly amount parents pay for the first child is set at €200 and €180 Euros for the second child. The Finnish system even allows for night spaces. France and Belgium go further in subsidizing child care by providing schooling in the public educational system for children from 30 to 36 months of age.

Austria, Belgium, Norway, Iceland, France, and Germany allow parental leave to be taken over and above the first year of the child's life, to about three years of age. Swedish parents can take 450 days of parental leave within the first eight years of their children's lives while working part time. Finland, Norway, Iceland, and the Netherlands encourage fathers to take parental leave by increasing the threshold of insurable income or allotting specific leave just for males. Finland, for example, found that by reserving generous paid leave for fathers, the uptake by fathers increased from 11 to 17 percent from 1994 to 2003.

The Netherlands, Denmark, Norway, Sweden, and Austria all have some kind of allowance for parents to work part time while on parental leave. In the Netherlands, for example, parents can work part time beginning the 17th month after the child's birth. In Iceland and Denmark, parents who are full-time students are covered. Norway has a provision for stay-at-home parents, and the Netherlands and Denmark cover self-employed mothers. In Denmark, for example, maternity benefits are calculated based on their self-employed income up to €450 per week.

Outside the realm of the immediate family, work-life friendly policies are much fewer and far between. The Netherlands and the United States both have stipulations for permitting workers to care for ill family members while guaranteeing job security. For example, the Netherlands allows for part-time work while caring for a dying child, partner, or parent for a period of 12 weeks at 70 percent of the minimum wage.

Other variations of leave include sabbaticals in the Netherlands and Sweden, the restriction of hours of work to the equivalent of four working days per week in France, and legislative requirements for holidays. Legislated duration of paid annual leave can vary greatly from country to country, but are generally in the four to five week range in Europe, while in Canada it is generally two weeks. The United States does not legislate duration of paid leave; it is up to the discretion of individual employers.

Canadian policies in these areas are less generous than European policies, but somewhat more so than US policies. According to the OECD (2005a), only 20 percent of all children aged 0 to 6 years old had access to regulated day-care. This compares with levels as high as 78 percent for children in Denmark, 60 percent in the United Kingdom, and 40 percent in Portugal.

While Canada has recently provided a year of combined maternity and parental leave,⁷ the conditions are still quite stringent. Only mothers who worked at least 600 hours over the previous year can qualify, and there is a two-week waiting period before benefits are received. In 2003, more than 25 percent of mothers did not receive maternity or parental benefits either, because they had not previously worked long enough to qualify or they were self-employed. In addition, low replacement income tends to perpetuate the unequal take-up of the benefit. Eighty-five percent of all Canadian parental leave claims were made by women in 2003.

The Canadian policy leader in this area is the Province of Quebec. In

2006, Quebec introduced policies to extend coverage to self-employed individuals, and also offered exclusive coverage for fathers, while extending the leave periods. For example, the maximum insurable income covered by the new Parental Insurance Plan has been increased from \$39,000 to \$57,000 and now covers 75 percent

of employment or business income. Quebec has also instituted a public day-care system accessible to all residents. According to Baker et al. (2005), while expensive, it appears to have stimulated higher labour force participation among women.

Like the Netherlands and the United States, Canada also has stipulations permitting workers to care for ill family members while guaranteeing job security. The restrictions in Canada are such that a total limit of six weeks is permitted to care for immediate relatives who are expected to die. A death certificate must be submitted as a prerequisite for income replacement.

In addition to the many social policies mentioned thus far, a discussion on policies to improve work-life balance would not be complete without also mentioning Canada's federal and provincial labour codes. Some of the legislated areas include hours of work, minimum wage, equal wages, annual vacations, general holidays, multi-employer employment, reassignment, maternity leave, parental leave, and compassionate care leave, bereave-

A Flexible Approach?

ment leave, termination of employment, severance pay, garnishment, sick leave, work-related illness and injury, unjust dismissal, payment of wages, sexual harassment, and administration and general information. All of these can influence the overall picture in respect of work-family balance, and should be reviewed in that context.

In the early 1990s, OECD countries became concerned that the fast-changing global economy would require rapid responses by businesses and institutions to market signals, and a flexible and adaptable work force. However, it is now becoming evident that market forces do not solve all problems, and that rigid policy structures can work against the best interests of people and economies. The PRI (2005) pointed this out in its report on population aging and older workers (PRI, 2005). It suggested the removal of several policy barriers to allow older workers to remain employed longer and with more personal flexibility.

More and more, countries are making their policies as flexible and responsive as possible to the needs and desires of their workers as well as employers. Not only is the economy changing, but social and demographic change is taking place at the same time. Employers need to adapt quickly, but individuals and families need supportive policies for their own adaptation

to the changing world. As the OECD (2005b) recently stated: "Under these circumstances, the OECD concludes, 'ensuring that labour markets are dynamic and that people of working-age have opportunities and incentives to work is more important than ever.' The alternative, it warns, could be a damaging opposition to change."

Some governments are now attempting to bring flexibility into their systems by permitting individuals to accumulate credits – of time and money – to be used at their discretion for certain defined purposes. For example, in 2006, the Dutch enacted a life-cycle savings scheme where employees can save earnings or leave to be exchanged for future periods of unpaid work. In this way, workers can decide for themselves when to take time off for caring, training, or sabbatical leave. Leave-saving policies also exist at both the government and firm level of various countries. For example, the French have a scheme, Reduction in Working Time, which was enacted in 2000. With this policy, employees can save up time in order to work part time or retrain in the future.

Should Canada Consider New Policy Options?

The working lives of Canadians are changing. We start our careers later, because we are in school longer and until recently, it was tough to get any job without extensive credentials. We postpone having children until our careers are established, so we will have some benefits, some choice in relation to care, and a decent salary when we return to work. We have also been retiring early, even though we live

longer. This may change as our retirement savings need to stretch over a longer period and as more flexible policies are introduced.

Nonetheless, the policy challenge to provide incentives for labour force participation, while also encouraging fertility and work-life balance, requires a flexible approach. Moreover, we need to achieve this in an equitable yet flexible way across the country, given the variety of regional economies, and the mix of federal and provincial policy jurisdictions.

In such a context, it may be useful to explore a form of leave-saving account that would enable workers to take time off for family needs or for other purposes, such as retraining, in flexible ways and at the times when they feel it would be most useful. Ideally, such accounts could receive contributions of financial or time credits from several sources – governments, family, employers, and individuals.

The PRI is exploring the possible application of individual accounts and policies to support life-course flexibility, and will be producing a paper on the subject in the near future.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

Notes can be found at the end of this issue.

Freshwater for the Future: Policies for Sustainable Water Management in Canada

May 8–10, 2006
Gatineau, Quebec

Freshwater is no longer taken for granted in Canada. In the wake of the evacuation of Kashechewan and the tragedies at Walkerton and North Battleford, the safety of our drinking water has become an issue. In the face of recurring droughts in the prairies and protracted legal battles for access to water in eastern Ontario, water supplies for agriculture and industry are no longer a given. Add to these flooding in the Red River, possible cross-border contamination from the Devil's Lake diversion, the spectre of bulk water exports to the United States, and a wide array of other freshwater issues capturing the public's imagination and policy makers' attention, and the time is clearly right for new thinking on freshwater policies for Canada.

The PRI and its partners invite you to Freshwater for the Future, a conference on water policy for Canada. At the Lac Leamy Hilton in the National Capital region from May 8-10, this conference will tackle a variety of freshwater policy issues through concurrent workshops and symposia. For further information, please visit the PRI web site at <www.policyresearch.gc.ca> or contact Ian Campbell at 613 992.3704.

Time-Related Stress Incidence and Risk Factors

Benoît-Paul Hébert and Alex Grey
 Human Resources and Social Development

There has been a growing interest in recent years in issues relating to work-life balance due, in part, to changes in family structures and labour market participation, and the implications for caregiving arising from population aging. One aspect of work-life balance is the time individuals have available to fulfill their roles as earners, parents, caregivers, and community participants. The degree of time-related stress that individuals report is a subjective measure of the difficulty they experience in meeting these often competing demands for their time. Subjective measures of well-being are well founded in the psychology, sociology, and economics literature, and are increasingly being used to inform policy development.

This paper reports on a study we conducted using multivariate techniques to test the relationship between time-related stress and a variety of personal, household, and labour-market characteristics. Data for the study were drawn from the General Social Survey (1998)

on time use, which also includes a set of subjective measures of time-related stress.² In particular, time-related stress is measured through 10 “yes-no” questions pertaining to individuals’ perceptions of the degree of time-related stress they experience. We follow Statistics Canada’s standard procedure for classifying an individual as experiencing high levels of time-related stress or “time crunch” if they score at least seven affirmative answers (Frederick, 1995). Two series of multivariate analyses were conducted – one for all individuals and another for employed individuals – to identify characteristics that might account for differences in the probability they experience time crunch.

Time Crunch Is Fairly Widespread

Figure 1 indicates how the share of the Canadian population reporting time crunch varies according to age, for males and females. In general, a higher share of females than males reported experiencing time crunch.

FIGURE 1
 Share Reporting Time Crunch, Males and Females by Age



Source: Statistics Canada, General Social Survey (GSS) (1998), authors’ tabulations based on microdata.

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Alex Grey is a senior analyst with the Research Directorate at Human Resources and Social Development.¹

For both sexes, the trend shows time stress increasing up to about 30 to 34 years of age and then decreasing. On average, 18.5 percent of the population experiences time crunch. The probability of experiencing time crunch for employed individuals, at 23.9 percent, on average, is even higher.

Time Crunch Is Most Prevalent for Women with Young Children

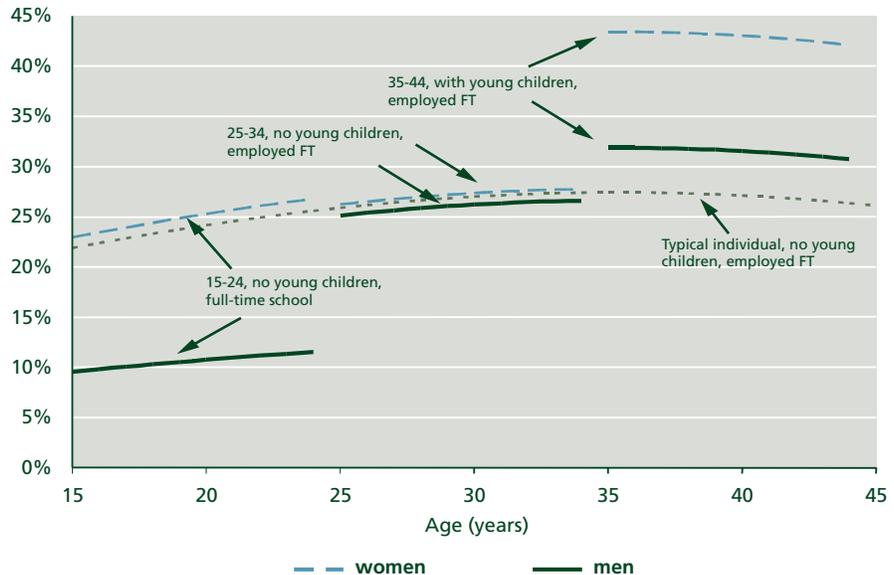
This section reports on some of the results of the multivariate analyses we conducted.³ Figures 2 and 3 summarize our findings, and illustrate how various factors combine to affect the probability of experiencing time crunch for certain groups of individuals.

In Figure 2, the dotted line shows how the probability of experiencing time crunch varies between ages 15 and 44 for a “typical individual,”⁴ while the dashed line and solid line show alternative probabilities of time crunch associated with sets of characteristics that reflect typical individuals in the 15 to 24, 25 to 34, and 35 to 44 age groups. Among the three age groupings, individuals are further distinguished by gender, employment status, and the presence of young children (i.e., under age 13 years).

Figure 2 indicates:

- Young men aged 15 to 24 years who attend school full time have a significantly lower probability of time crunch than those employed full time, while for young women, there is little difference between those attending school full time and those working full time.

FIGURE 2
Probability of Experiencing Time Crunch for Younger Individuals



Source: Statistics Canada, GSS (1998), unpublished estimates based on the authors’ estimations.

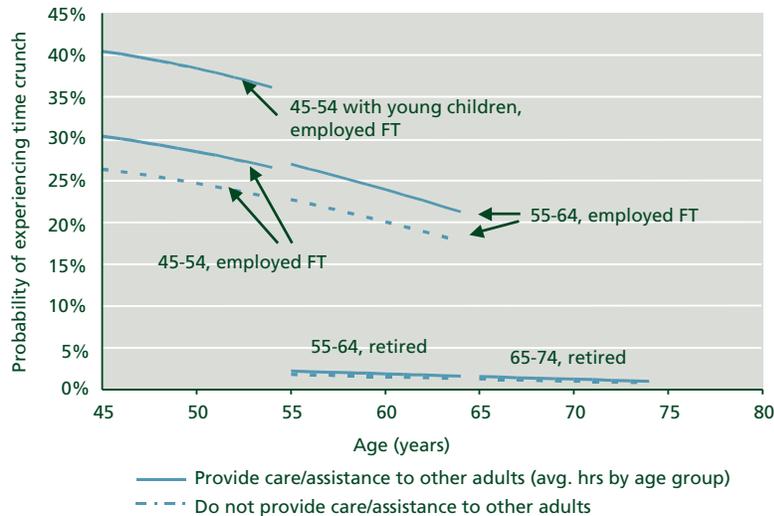
- This probability increases for persons in the 25 to 34 age group and reaches a peak for those aged 35 to 44 years.
- Having young children substantially increases the probability of experiencing time crunch for women, and modestly increases it for men. The presence of older children (between 13 and 18 years of age) was found to have no impact. One factor is the difference between the genders in unpaid domestic work. Not only do females perform more unpaid domestic work than males, but also, each additional hour females spend in unpaid domestic work increases the probability of time crunch more than for males. One reason suggested in the literature for the differential impact of unpaid domestic work on females and males may be that

the kind of work typically done by females (e.g., meal preparation) is more difficult to reschedule, creating greater time pressures (Barnett and Shen, 1997; Phipps et al., 2001).

For women, the probability of experiencing time crunch remains near 40 percent for a prolonged period (i.e., when children are less than 13 years of age). Our data indicate that these women spend a higher number of hours in primary child care⁵; an additional hour of primary child care raises the probability of experiencing time crunch by 1.6 percentage points.⁶

Previous studies indicate that members of single-parent families are more likely to be “severely short of time” than members of two-parent families (Burton and Phipps, 2004).⁷ However, we found that the impact of young

FIGURE 3
Probability of Experiencing Time Crunch for Older Individuals



Source: Statistics Canada, GSS (1998), unpublished estimates based on the authors' estimations.

children on the risk of reporting time crunch by a parent is relatively consistent across all household types. Single-parent households do not seem to be different in this regard.

We found that self-reported health status is strongly associated with time crunch. Individuals who report their health status as poor have a 17.1 percentage point higher probability of experiencing time crunch than an individual with excellent self-reported health status.⁸ Other variables, such as education and income, were found to have a statistically insignificant or relatively small impact on the risk of time crunch.

In Figure 3, the lines show alternative probabilities of time crunch associated with sets of characteristics that reflect typical individuals in the 45 to 54, 55 to 64, and 65 to 74 age groups. Among these three age groupings, individuals are also distinguished by employment

status, the presence of young children, and the provision of care to other adults.

Figure 3 indicates:

- Individuals aged 45 to 54 and 55 to 64, who are employed full time and provide care to other adults, face a higher (five percentage point) probability of experiencing time crunch.
- An even higher (15 percentage point) probability of experiencing time crunch is faced by persons in the 45 to 54 age group who not only work and care for other adults, but also care for young children (the so-called “sandwich generation”).
- Caregiving by those who are retired exerts a very small impact on the probability of experiencing time crunch. The data indicate that 54 percent of persons aged 55 to 64 years have no regular hours of

employment, and over 90 percent of persons aged 65 to 74 years are retirees.

Time Crunch Mirrors the Work Situation

Figure 4 shows how different factors (gender, presence of young children, work hours, and flexible work schedule) can combine to produce a relatively high probability of experiencing time crunch for a typical 35-year-old individual.⁹ The figure shows, as previously, that having young children is associated with a higher probability of time crunch, most noticeably for women. Compared to a full-time work schedule:

- Working long hours (≥ 50 hours per week) increases the probability of time crunch by more than 11 percentage points; 28 percent of employed persons worked 50 hours or more the week prior to the survey.
- Part-time work (≤ 30 hours per week) reduces the probability of reporting time crunch by more than 10 percentage points; 9 percent of employed persons worked less than 30 hours the week prior to the survey.

When working long hours, a flexible work schedule decreases the probability of facing time crunch by about five percentage points compared to an inflexible work schedule. Among those employed, 36 percent reported having a flexible schedule in 1998.

These findings are consistent with the results of Duxbury and Higgins (2001, 2003), Phipps et al. (2001), and Beaujot and Andersen (2004).

In additional specifications, for respondents who were couples, we found the impact of spouses' full-time or part-time work on time crunch to be relatively small, consistent with the results of Phipps et al. (2001) and Beaujot and Andersen (2004).

Our analyses also indicate:

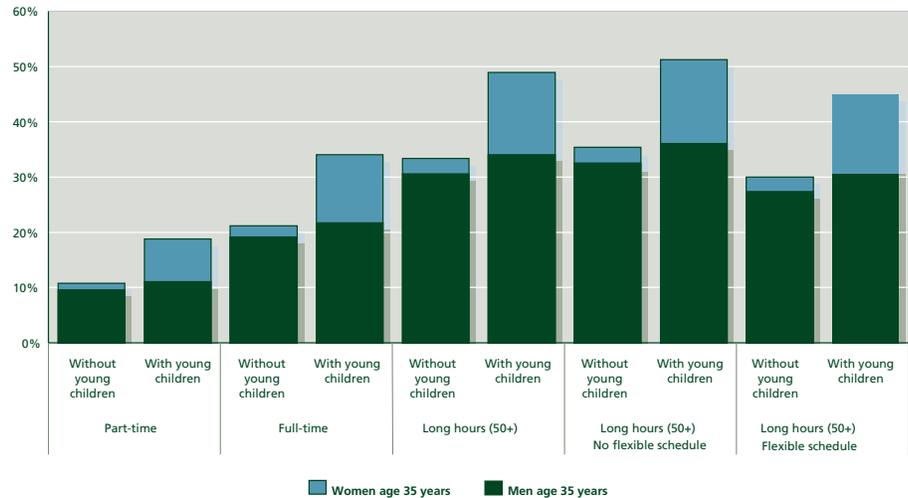
- The risk associated with self-employment is the same as for paid employees.
- Persons working shifts (as opposed to regular day shifts), persons on-call, and persons who work irregular hours do not report a higher risk of time crunch.
- Enjoying one's paid work is associated with a lower risk of reporting time crunch, consistent with results of Frederick and Fast (2001). Individuals who enjoy their work have a 13.6 percentage point lower probability of time crunch than persons who dislike it.¹⁰
- Working at home for family-related reasons is associated with a higher risk of time crunch, possibly reflecting the particular circumstances that lead to working at home. Working at home for other reasons does not increase the risk of time crunch.

Conclusion

Our analyses indicate:

- Females are more likely to report time crunch than males.
- The risk of time crunch is highest in the 35 to 44 years age group.
- Parents of young children are more at risk of experiencing time crunch.

FIGURE 4
Probability of Experiencing Time Crunch for Older Individuals



Source: Statistics Canada, GSS (1998), unpublished estimates based on the authors' estimations.

- Female parents of young children face a higher risk than males due to the higher number of hours spent by females in primary child care and in unpaid domestic work.
- Time spent providing care to other adults significantly increases the risk of experiencing time crunch.

Furthermore, work arrangements play an important role.

- Compared to a full-time work schedule, working long hours substantially increases the probability of experiencing time crunch.
- Working part-time or having a flexible work schedule reduces the probability of experiencing time crunch.
- There is no difference in the risk of reported time crunch between the self-employed and paid employees, and those who are either self-employed, working shifts, irregular hours, or on call.

- Individuals enjoying their paid work have a significantly lower probability of reporting time crunch.

Time crunch affects significant numbers of individuals. These persons are likely to experience it over prolonged periods, and the incidence of time crunch has been rising over time. In 1998, 16 percent of men and 21 percent of women reported time crunch, up from 12 percent and 16 percent respectively in 1992 (General Social Survey, 1992). Because of changes in life-cycle patterns, such as longer times spent in education delaying entry into the labour market and family formation, individuals may face a greater risk of finding themselves as part of a sandwich generation, with caregiving responsibilities both for children and parents. Population aging may also increase the

share of the population who find themselves in these circumstances.

Improving the ability of persons to combine work and family responsibilities may assist them in coping with time crunch. However, in considering such initiatives, it is also important to balance their impact on the ability of employers, notably small firms, to organize work. Areas to focus on might include:

- opportunities for reduced work hours or part-time work;
- more flexibility in the timing of work during day, week, month or year;

- increased options for child-care services;
- more flexible arrangements for parental and caregiving leave (e.g., one day of leave per week over an extended period of time); and
- tying parental and caregiving leave to later retirement.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

Notes can be found at the end of this issue.

Policy Features: Voluntary Family Initiatives

Project Chance: Breaking the Social Assistance Cycle for Young Mothers

Project Chance, a non-profit organization founded in 1986, runs a 22-suite apartment building in downtown Montréal to accommodate single mothers and their children for up to five years while the mothers attend university or a CEGEP. Residents to the program must be between 18 to 30 years of age, live with their children full time, and demonstrate a social and economic need.

Each family has its own apartment and benefits from a book-lending service, a food bank, and workshops on parenting, financial management, personal and career counselling, and nutrition. In turn, the women share such duties as serving on the board of directors, cleaning common areas, and helping in an after-school program. Rents vary based on income.

Preliminary results show that between two thirds and three quarters of the residents complete their diploma or degree programs.

Source: University Affairs. 2004. "Single Moms Succeeding." February.

Self-Employed Women's Work-Life Imbalance

An Urgent Need for Policy Response

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Introduction

Achieving work-life balance is a complex issue that depends on many variables. It interrelates with several government policies and programs, and is seen as an essential ingredient of a proactive social policy; one which invests in people's capabilities and supports families to achieve their full potential and contribute to the future development of their societies at all stages of life (OECD, 2005a).¹

In recognition of the economic and social benefits of promoting work-life balance, various federal, provincial, and territorial governments have established support programs for families and individuals.² Also, several employment protection measures and work arrangements have found their way into legislation or negotiated agreements between employers and employees.

While these programs have benefited many parents, others remain challenged by their inability to balance family requirements and work commitments. Women are disproportionately represented in this group with serious consequences for their physical and psychological health (Duxbury and Higgins, 2001; Macdonald et al., 2005).

Available evidence suggests that despite women's increased participation in the labour market in the last decade, they are still primarily responsible for housework and caregiving. And, while men have started to share some of the burden, the persistence of the socially constructed division of labour within the family and work place has made balancing work and

family responsibilities a major challenge for women. It is no surprise that, despite the gender neutrality assumption underlying work-life balance policies, the perception is that it is almost overwhelmingly a women's issue (Smithson and Stokoe, 2005).³

The discussion in this paper is based on the findings of research funded by Status of Women Canada's Policy Research Fund (PRF). The PRF promotes gender-based policy research that contributes to the development of a better-informed public policy. Several recent publications have contributed to the debate on work-life balance and are presented in this paper.⁴

The paper starts by examining the key challenges facing self-employed women, as they struggle to reconcile their career demands and family responsibilities. A review of the working conditions of home-based child-care service providers, a sector where women predominate, is illustrative of and reveals some of the key difficulties they face. The paper concludes with a discussion of policy options that may give parents some choices when they make work and family decisions, thus easing some of the pressure points in their life.

Self-Employment: Is It Good for Work-Life Balance?

The recent changes in global economic systems, resulting from technological advancement and trade liberalization, among others, have led to the emergence of flexible and precarious work practices and employment relationships. While these new systems have contributed to the increased participation of women in the paid work force, they also have

contributed to the creation of working conditions best described as non-standard, with a high level of insecurity and reduced benefits and rights. These types of work include self-employment.

Considered a dynamic aspect of Canada's private sector, self-employment has expanded significantly in the last decade particularly women-owned businesses. According to data from the 2001 Census of Canada, the number of women entrepreneurs grew by eight percent between 1996 and 2001, compared with a 0.6 percent increase for men. And, they account for about 34 percent of total self-employed Canadians, up from 31 percent in 1990 (Statistics Canada, 2003).

Self-employed women own almost half of all small and medium-sized enterprises, and start-up rates for women-owned businesses are twice those for men. They tend to concentrate in a number of sectors, such as in caregiving or service trades (e.g., catering or cooking, administrative work, bookkeeping) and tend to operate home-based businesses, to be own-account and to work part time. Many women find this type of business allows for flexible working hours to care for children and family members (Statistics Canada, 2003).

Self-employed women tend to fall outside the social safety net. Their economic autonomy and well-being are threatened by the lack of access to pension plans and paid benefits including maternity and parental leave. Their situation is made worse by low average earnings, lack of accessible, high-quality child care, and

competing work and family demands.⁵ Approximately 54 percent of working mothers report medium to high work-family conflicts, whereas 47 percent of fathers report the same (SWC, 2005). Young women in particular report that they are often very stressed and pressed for time (Lindsay et al., 2004).

Even when working for pay, women are largely responsible for the bulk of the housework as well as other unpaid work, especially the provision of child care (Lindsay et al., 2004). In fact, caregiving and homemaking responsibilities are two main reasons for low earnings among self-employed women, compared to men. Some government programs recognize and support caregiving services provided by women. However, these programs are often criticized by non-governmental organizations as inaccessible or inadequate (Yalnizyan, 2005).

Despite government-designed programs to support small enterprises and women's entrepreneurship, women business owners continue to face challenges. A study of 168 self-employed women from across Canada in a variety of occupations revealed that most of the women had difficulty taking time away from their business for maternity/parental, sickness, or family caregiving reasons. The most frequently cited reasons were their inability to find a replacement, reduced earnings, loss of clients, and loss of visibility (Rooney et al., 2003).

Many self-employed women, particularly those in vulnerable groups, such as low-income earners, those in the start-up phases of their businesses, and those with health conditions, have pointed to their inability to save

for maternity, sickness, and other family-related leave, to purchase health and business insurance, and to access business financing (Rooney et al., 2003). Self-employed women's financial security is challenged when their earnings are interrupted after childbirth/adoption or for personal or family health reasons. A Statistics Canada report showed that one in three self-employed women returned within two months after having a child, compared to five percent of paid workers (Statistics Canada, 2004).

The challenges facing self-employed women are magnified in rural Canada. Not only do they face the scarcity of job opportunities, the lack of transportation infrastructure, and difficulties accessing training, computers, and information technology, but they have to deal with key social and economic policies that impact on their income. A study of the participation of rural women in the new economy in Nova Scotia found that training, maternity and sickness benefits, and the recently announced compassionate care benefit are not available to them (Manicom et al., 2005).

Lone-parent mothers face considerable challenges. Many of them work part time or accept short-term contracts, while their children are young, in the expectation that they will be able to make a commitment to full-time employment when the children are in school, or when the lack of affordable, quality child care is no longer an issue. A study of 82 single mothers (average 32.5 years of age) indicated that the primary obstacles to sustainable employment were the lack of access to child care and inadequate income.

Consequently, the trade-off between a job and the loss of benefits available to income assistance recipients (e.g., medical and dental care, for themselves and/or their children) becomes a difficult choice (Stephenson and Emery, 2003). Furthermore, their hopes for a steady progress toward a balanced family and professional life were tempered by considerable anxiety as to whether their goals and expectations could be fulfilled.

The research confirmed the complexity and multi-faceted nature of the barriers facing self-employed women and documented the fact that existing social support policies and programs may not work effectively to reduce their poverty and improve their quality of life across various life phases. Women are at a considerable disadvantage when it comes to achieving a work-life balance.

Critical for Parents: But Can Family Child-Care Providers Find a Balance?

Family child-care providers are responsible for educating and caring for children, as well as operating a successful small business and equipping and maintaining their residence in compliance with regulations dictating hygiene and safety standards (Cox, 2005). Regardless of the model used for delivering regulated family child care, almost all providers are considered self-employed.⁶

According to the 2001 Census, there are approximately 137,000 early childhood educators and assistants in Canada, almost all of them are women (Beach et al., 2004). About half work part time and over 30 percent work

from home. The main reason cited by providers for offering child care at home is the desire to stay at home to care for their own children (Cox, 2005).

While child-care services are critical for enabling parents to achieve a balanced work and family life, those working as child-care providers face a considerable

Self-employed women tend to fall outside the social safety net. Their economic autonomy and well-being are threatened by the lack of access to pension plans and paid benefits including maternity and parental leave.

challenge in achieving the same objective. Child-care providers' working conditions are characterized by poor compensation relative to the skills and responsibilities, low wages (less than the national average), long hours and heavy workloads. (Child-care staff in full-time programs typically work 40 to 45 hours a week.) They also face high levels of job insecurity, limited career opportunities, health and safety concerns, and an uncertain employment status. Family child-care providers, being considered independent contractors, are therefore not eligible for maternity and parental leave benefits, Employment Insurance, health benefits, and employee protections under labour legislation, such as sick leave.

The study by Cox (2005) confirmed the difficult working conditions of family child-care providers and the challenges they face, given their employment status, in accessing maternity and parental benefits, Canada/Quebec Pension Plan

(CPP/QPP) benefits, and compensation for workplace injuries as well as in ensuring employment standards.⁷

In analyzing day-care providers' entitlement to benefits, such as Employment Insurance, pensions, pay equity, and labour law protection, the study underlined that, from a legal standpoint, awarding the protection and

benefits afforded under labour and employment legislation is tied to granting status to salaried employees. Whenever providers have been recognized as having the status of salaried employees of the agency with which they are affiliated, authorities react by adopting policies intended to change the status to "pseudo-independent contractors," thus avoiding the application of the principles of labour and employment legislation to day-care providers.

In this context, considerations regarding the quality of child-care services (e.g., compulsory training, provider evaluation, equipment loans, regular visits to the child-care home) as well as considerations regarding improved working conditions for providers, such as income stabilization, access to social benefits, and the possibility of greater personal support, have been relegated to the background.

Child-care providers in British Columbia and Newfoundland and Labrador are not considered to have

insurable employment and do not have the right to maternity and parental benefits. The degree of provider dependence on agencies or Child Care Resource and Referral in British Columbia and their status as independent contractors makes them fall outside workers' compensation coverage and the application of employment standards. Notwithstanding this situation, given the low income of most care providers, the benefits to which they would be entitled are, inevitably, very low. Moreover, the lack of proactive pay equity legislation coupled with the difficulty of assessing equivalent work represents obstacles to achieving pay equity.

In Quebec, the government adopted a different approach. On the one hand, most family child-care providers are under the control and management of a Centre de la petite enfance. Nevertheless, on the other hand, the government instituted Bill 8 to prevent the establishment of an employment relationship between the centre and family child-care providers thereby limiting any possibility of access to the benefits and protections of labour and employment laws.⁸

The current definition of eligibility within the legal framework in Quebec extends worker's compensation and employment standards to some child-care providers. However, this could be challenged if the provisions of Bill 8 are upheld.⁹ Extending maternity and parental benefits to self-employed individuals is a step forward. But it is limited by the ability to contribute and the fact that the benefits are entirely self-funded.

Avoiding the creation of an employer-employee relationship prevents family

child-care providers from accessing benefits and employment protection measures. Cox (2005) argued that, if the working conditions of regulated family care providers amount to a series of constraints with limited incentives and nothing in terms of access to benefits, the role of agencies could become a disincentive leading providers to not join or even withdraw

Home-based family child-care providers, while contributing to others' endeavours to find the right balance between work commitments and family responsibilities, have themselves been unable to achieve the same objective.

with negative consequences for quality child care and early learning. She observed that the refusal to consider the possibility that the principles of labour legislation might apply to family day-care services seems to be mostly a matter of cost.

An additional point that exacerbates the already unbalanced relationship between work and the family life of providers is created by using the home as a workplace. At home, women workers usually find themselves in an ambiguous situation as the boundary between women's "private" and "professional" lives gets blurred (Bernstein et al., 2001). Indeed, the confusion surrounding the status of a home-based worker renders the application of the laws and access to benefits more complicated.

Home-based family child-care providers, while contributing to others' endeavours to find the right balance between work commitments and family responsibilities, have themselves been unable to achieve the same objective.

Possible Public Policy Remedies and Options

Any discussion of work and life balance should recognize that we face two life trajectories – career and family. Conflicts result when they intersect and women are usually the ones who bear the brunt of these conflicts. Public policy can only be effective if it

succeeds in reducing the incidence of those conflicts and helps parents achieve a healthy balance between career and care needs without major sacrifices or penalties throughout the various phases of their life. Succeeding in this objective would have a significant impact on women's quality of life and their capacity to compete equally with men in the labour market.

Supporting self-employed women to achieve work-life balance presents a particular challenge for public policy. Employment insurance, benefits, and pension plans are generally designed for workers in standard jobs with long-term continuous service. Self-employed women may not be able to accumulate the requisite number of hours of work to qualify for Employment Insurance benefits, and may have earnings that are too low to allow for coverage of the CPP/QPP. Therefore, changing the *Employment Insurance Act* to separate maternity and parental benefits from other benefits, to extend coverage to self-employed individuals to include

dependent care leave, to increase the payable benefits and the maximum allowable insurable earnings, and to base the eligibility criteria on gross earnings rather than number of hours are all measures that were proposed to improve income security and enhance access to benefits for self-employed individuals (Rooney et al., 2003). Other measures could include reducing the penalty for mothers working on a part-time basis while collecting maternity or parental benefits, enhancing access to long-term disability benefits, and considering child-care expenses as a legitimate business expense.

Similar recommendations were made by the Prime Minister's Task Force on Women Entrepreneurs (2003). It recommended the extension of social safety net programs including Employment Insurance benefits and maternity leave to self-employed women. Also, the Task Force argued for an increase in the Child Care Expense Deduction to cover the full cost of child care as a business expense.

Rooney et al. (2003) explored the options of earnings protection for maternity/parental leave via a voluntary government-regulated plan or a tax-sheltered savings plan. The first might be expensive to run and the other, while it would permit more autonomy and flexibility, and less government bureaucracy, may risk directing limited resources away from retirement savings. Also, those self-employed women with low earnings or in the start-up phases of their business would not have the necessary funds to contribute. Therefore, implementing a plan that would allow self-employed individuals to save a fixed

percentage of their earnings ahead of time for deposit in a tax-sheltered plan would allow the use of the fund during periods of business interruptions, because of family circumstances (such as in maternity and sickness) as well as the roll over of the unused fund into a Registered Retirement Savings Plan (RRSP) at the age of 65.

For self-employed women in rural Canada, Manicom et al. (2005) argued that social policy that supports women's access to the new economy must address issues, such as providing quality early childhood care and education, income assistance inequities, quality job creation, employment benefits and life-long learning. Applying a rural lens when developing economic and social policies would ensure a more responsive policy and support programs for rural Canada.

Quebec's model of extending maternity and parental benefits to the self-employed and enhancing the level of payable benefits could be emulated to increase the coverage without a significant claw back. The implementation of these progressive measures will provide useful information about the feasibility and various policy considerations associated with extending the benefits to self-employed individuals.

These policy reforms would also play a role in improving the working conditions of child-care providers as they are considered self-employed in many jurisdictions. In addition, Cox (2005) suggested the use of regulatory power to enable child-care providers to access benefits under the *Employment Insurance Act*; this could be applied in the same way to persons holding insurable employment. In addition,

she recommended extending protection to regulated family child-care providers in the event of a work-related accident or illness. Further research is needed to identify various mechanisms to extend Employment Insurance benefit eligibility to providers, to examine adapting a sectoral model of collective bargaining for self-employed workers as well as to conduct a thorough evaluation of child-care work (Cox, 2005).

As highlighted by the findings of research, access to affordable, high-quality child care remains a sine qua non for efforts aimed at helping parents reconcile work and family responsibilities. However, this cannot be effectively achieved without the long-term improvement of the working conditions of home-based family child-care providers as well as ensuring a certain degree of quality control over child-care providers' work.

There is indeed a need to adapt continuously to the changing composition and requirements of Canada's work force and family structure. Promoting and supporting work-life balance will depend on how public policy will be able to increase collective support for caregiving as both a societal and a family responsibility; and to support the creation of a family-friendly labour market that allows both men and women to share earning and caring duties without undue burden on one side.

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Notes can be found at the end of this issue.

Gender Models for Family and Work

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In *The Gender Factory*, Sarah Berk (1985) proposed that, through the allocations of domestic work, households and families are gender factories. Arlie Hochschild (1989) also proposed that families play significant roles in maintaining gender differences. In most of the households she studied, Hochschild found that the double burden belonged to women. Yet, 10 percent of her households were making deliberate attempts to divide unpaid work more equally. If the gender revolution involves women achieving equal opportunity, we could say that this has been achieved more outside of the household than in families. The feminist agenda has been to complete the gender revolution.

Changing Norms

In surveys with my undergraduate students, there is almost unanimity to say “both equally” in response to questions on how domestic work and child care should be shared in couples. For many, the norms have changed in the direction of sharing paid and unpaid work as a form of mutuality.

In *Gender in Families*, Scott Coltrane (1998) proposed that several factors push in the direction of men doing more domestic work. First, there is rising women’s income, and share of family income. Second, there are normative changes in the direction of equality and sharing, in contrast to family models based on dividing earning and caring along gender lines. Third, family changes, including later marriages, more cohabitation, and more remarriages, prompt alternate models of the division of work. By now, young men know that they need to share the burden if they

want to enter a relationship, and it is not uncommon for women to abandon relationships that are not based on a sense of fairness in the division of work.

The models of marriage have changed. Gary Becker (1981) proposed that it was efficient for households to divide paid and unpaid work and that, at most, one person would spend time doing both market work and domestic work. Many have since seen this complementary-roles approach as a man’s view of efficiency, or they see more important goals in relationships, like mutuality and equality rather than efficiency. Valerie Oppenheimer (1988) proposed a “career entry” theory of marriage, where enduring relationships are formed once jobs are established. Once couples start out with two jobs, they are more likely to be oriented to also share the domestic work. Christiane Bernier and her colleagues (1996) saw women’s paid work as a “trump card” against their exploitation through domestic work.

Co-existing Models

In an American study, Shelly Lundberg and Elaine Rose (1998) found that, on average, women’s work time is reduced after the birth of a first child, and men’s average wage increases. Couples in which wives interrupted their careers for child rearing showed increased task specialization associated with childbirth, including a reallocation of time of both husband and wife, and declines in wages of wives. However, there was also evidence of the emergence of other patterns. Lundberg and Rose found significantly different patterns for couples in which the wife participated

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continuously in the labour market. In those cases, the mother's wage rates did not decline while the hours worked by fathers declined after the birth of the first child. Furthermore, the wage differentiation on the birth of a first child was not as significant for younger cohorts. Thus, the increase in task specialization associated with childbirth was less applicable to younger cohorts and to the subsample of couples in which wives continuously participated in the labour force. As the model of continuous participation in the labour force becomes dominant, the authors predicted converging time-use patterns for husbands and wives and declining wage differentiation associated with parenthood.

Converging Employment Patterns but Parenthood Brings Divergence

The Canadian employment/population ratios have converged considerably between women and men. Men's employment ratios have declined since 1981, and women's have increased since 1971. Among the OECD countries, Canada is exceptional for the amount of change between 1960 and 1990 (Engelhardt and Prskawetz, 2004: 38). In 1960, with 32 percent of women in the labour force, Canada was among the countries with the lowest participation; in 2000, the rate of 71 percent put Canada in the group with the highest participation. At age group 15 to 24 in 2001, the employment/population ratio was identical for males and females, at 55 percent; however, at age groups 25 to 54, there remained a 10 to 11 percentage point difference.

While the trends for women and men are converging, parenthood still has the opposite average effects, leading to divergent employment patterns for women and men. When they lived with children under 6 years of age, 90.5 percent of men in 2001 were working full time compared to 49.7 percent of women (Beaujot and Ravanera, 2005).

By now, young men know that they need to share the burden if they want to enter a relationship, and it is not uncommon for women to abandon relationships that are not based on a sense of fairness in the division of work.

Similar results are shown in time use patterns. Compared to persons who are single, being in a relationship increases the unpaid work of women, but also of men, and the paid work of men (Beaujot and Liu, 2005). The presence of children especially differentiates women and men in terms of the proportion of total productive activity that occurs in the categories of paid and unpaid work. For instance, in 1998, married men under age 45 with children spent an average of 66 percent of their productive time in the market, compared to 35 percent for women in this category.

What Would It Take to Achieve Convergence in Paid Work Patterns of Women and Men?

Much change has occurred outside of families, but important differences remain in the division of family work. The norms appear to be changing in the right direction but, on average, parenthood still brings

differentiation in the division of work. It is useful to reflect on the kinds of policy initiatives that could prompt further convergence.

Parental Leave

One might start with equal parental leave, or at least men taking a substantial part of the leave. Extending the leave from six months to a year has

increased the leave time taken by women and it has, as well, increased the proportion of men taking leave. It seems that fathers are more likely to take leave if the mother takes eight months, and the father has benefits that top up the Employment Insurance benefits. To push this further, one might consider increasing the replacement rate on parental leaves, with a maximum of eight months leave per parent.

Benefits for Part-Time Work

Especially when children are under 3 years of age, there is considerable interest in working fewer hours. This could be supported by policies that would treat part-time workers the same as full-time workers, as currently occurs for Employment Insurance and Canada Pension Plan benefits. That is, regulations could prohibit discrimination against part-time work in terms of wage rates and benefits. One could even adopt policies like in Sweden to give parents the right to work part time when children are young, along

with the right to go back to full-time work at any point. Further, one could subsidize part-time work when it involves a parent of a child under 3 years of age. To make this symmetrical, how about allowing each parent one year of such subsidy per child?

Removing Assumptions of the Breadwinner Model

As we opt for a society where there are fewer dependencies, and more equality between men and women, it is useful to take note of legal provisions that remain based on a traditional breadwinner model. This may apply to widowhood benefits, spousal allowance, pension splitting, and tax deductions for a dependent spouse. While these provisions are a means of accommodating dependency in couples, they can also promote dependency.

In Sweden, they have never had pension splitting, and they eliminated widowhood benefits for persons who married after 1989. Such changes would need to be grand-parented to accommodate those who lived their lives under the assumptions of the breadwinner model.

The income tax deduction for a dependent spouse makes sense when one spouse is not in the labour force, because of young children at home. But in other circumstances, why do we encourage dependency through this tax provision. For lone parents,

we already have an “equivalent to married” deduction for the first child. How about using this for all parents, giving them a deduction for the first dependent child rather than for a dependent spouse? Of course, this change would only benefit two-parent families, and thus I would propose that the benefit be doubled for lone-parent families.

Conclusion

The difficulties of work-life balance originate in the fact that change in some areas of life have not been matched by change in other areas. Peter McDonald (2000) proposed that fertility is particularly low in societies where women have equal opportunities in education and work, but where they carry an undue proportion of family work. For instance, Livia Olah (2003) found that women in Sweden are more likely to have a second child when their husband takes parental leave after the first birth. Eva Bernhardt (2005) proposed that low fertility is due, in part, to the unfinished gender revolution. The norms are changing in the direction of more symmetry in the division of work; we now need to make other changes that would encourage a better sharing of family work.

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Quebec's New Parental Insurance Scheme

The new Régime québécois d'assurance parentale (RQAP) (Quebec Parental Insurance Plan) came into effect on January 1, 2006. The RQAP provides for the payment of a financial benefit to every eligible worker – salaried and self-employed – who takes maternity leave, parental leave, paternity leave or adoption leave.

Two specific conditions must be met in order to qualify for benefits under the Quebec Parental Insurance Plan. The birth or adoption must take place on or before January 1, 2006. If they take place after this date, no benefits under the federal EI plan will be paid.

The RQAP offers the choice between a basic plan (longer but less money) and a specific plan (shorter but more money).

Basic Plan

- Maternity and paternity leave benefits are paid for 18 and 5 weeks, respectively, at a rate of 70% of average weekly income.
- Benefits for parental leave are paid for 7 weeks at 70% and for 25 weeks at 55%. With this option, a mother can receive benefits for up to 50 weeks.
- Adoption leave benefits, which can be shared between the two parents, are paid for 12 weeks at 70% and for 25 weeks at 55%.

Specific Plan

- Maternity and paternity leave benefits are paid for 15 and 3 weeks, respectively, at a rate of 75% of average weekly income.
- Benefits for parental leave are paid for 25 weeks at 75%, i.e., a mother can receive benefits for up to 40 weeks.
- Adoption leave benefits, which can be shared between the two parents, are paid for 28 weeks at 75%.

What's More...

- The RQAP does away with the two-week qualifying delay, so that the benefits begin as soon as the leave does. Maximum insurable income will go from \$39,000 to \$57,500.
- The plan admits workers with at least \$2000 in insurable income.
- The new Quebec plan entitles fathers to a 3 or 5 week paternity leave with benefits, not transferable to the mother.
- Employers, employees and self-employed workers must contribute to the plan.

Source: <www.rqap.gouv.qc.ca>.

Informal Caregivers Balancing Work and Life Responsibilities

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Introduction

Caregiving for seniors has historically been a responsibility shared by family members and later, institutions. However, demographic and social trends may have diminished the capability of families to provide care to the elderly. Canadian families are now smaller and women, the traditional providers of care, are mostly in paid work.² Meanwhile, an aging population and increased life expectancy suggest that seniors with a disability will represent a growing segment of the population.³ This has the potential of increasing the demands on family caregivers at a time when they have less capacity to do so. Compounding these trends has been the shift of caregiving responsibilities from institutions to the family (Ward-Griffin and Marshall, 2003; Wiles, 2003).⁴ These factors suggest that caregiving demands on the family have increased, leaving some Canadians struggling to balance their caregiving and work responsibilities. Hence, the priority accorded to families and caregivers in the 2004 Speech from the Throne: The “Government recognizes the vital role of Canadians who care for aged or infirm relatives or those with severe disabilities.”

Statistics Canada’s 2002 General Social Survey (GSS) provides the most recent information about caregivers 45 years of age and over. According to the GSS, informal caregivers 45 years of age and over provided over 40 percent of elder care.⁵ While caregivers span all age groups, international and Canadian studies show this is an age group that is most likely to provide elder care. An International Labour Organization study, for example, showed that infor-

mal caregiving pressures fall mostly on the population 40 years of age and over (Hoskins, 1996). The 1996 GSS also showed that a slight majority of caregivers for seniors in Canada were at least 45 years of age with an average of 46 years for women and 44 for men (Keating et al., 1999).

The paper uses data from the 2002 GSS to explore issues surrounding caregiving for working Canadians. The first section discusses the characteristics of Canadian informal caregivers in paid work, followed by an analysis of the employment, economic, and social consequences they experienced. The next section addresses what caregivers reported they needed to balance their work-life demands with elder care, followed by a discussion of the particular case of working caregivers with children under 18 at home (i.e., the sandwich generation). Finally, the paper concludes with highlights of the research results and the policy issues the findings raise.

Characteristics of Informal Caregivers

Over 1.7 million or more than one in five Canadians aged 45 to 64 years provided informal care to seniors with a long-term health problem or physical limitation. Of these, 1.2 million were in paid work. Most were in their prime working years (45 to 54), married, and lived in urban areas. One in five had one or more children under 18 living at home (Table 1).

Caregivers who are not in paid work tended to be older with more than three in five approaching the “traditional” retirement years (55 to 64).

TABLE 1
Characteristics of Informal Caregivers

	IN PAID WORK	NOT IN PAID WORK
All caregivers aged 45-64	('000) 1,213	('000) 507
	Percent*	Percent*
Age		
45-54 years	70.5	36.7
55-64 years	29.5	63.3
Total	100	100
Gender		
Men	54.3	38.0
Women	45.7	62.1
Total	100	100
Marital status		
Married	78.4	77.0
Single	21.3	23.1
Total	100	100
Education		
University degree	26.3	21.5
Some post-secondary	45.4	39.8
High school or less	28.2	38.1
Total	100	100
Region		
Urban	75.4	74.5
Rural	24.6	25.5
Total	100	100
Presence of children		
With youngest child under 18	25.2	13.8
Without children under 18	74.8	86.4
Total	100	100
Employment		
Full time	90.7	n.a.
Part time	9.3	n.a.
Total	100	n.a.
Household income		
Less than \$40,000	14.1	36.6
\$40,000 to \$60,000	19.6	20.9
\$60,000 to \$80,000	17.3	9.5
\$80,000 and over	36.7	14.2
Not available	12.4	18.8
Total	100	100

Notes: * Does not always add up to 100 due to some non-responses.
n.a.: Not applicable.

Source: Statistics Canada, 2002 General Social Survey.

While most caregivers not in paid work were also married, proportionately fewer had a child under 18 living at home, suggesting that simultaneously managing the demands of elder care and child care fell more on those in paid work.

Men (23.5%) and women (23.9%) are almost equally likely to provide care. While men comprised a little more than half of working caregivers (54.3%), women constituted a majority of those outside paid work (62.1%), which suggests that, for some in this age group, men continue to be the family breadwinners. Most informal caregivers not in paid work were also married and marriage may provide the needed finances to assist caregivers outside paid work. However, this issue requires further exploration.

Informal Caregivers in Paid Work Have Relatively High Household Income

Among informal caregivers in paid work, one in seven had a family income that was less than \$40,000 while more than one in three had at least \$80,000 per year. By contrast, more than one third of caregivers not in paid work had a family income of less than \$40,000 per year compared to only one in seven who had at least \$80,000. The large income disparity between the two groups may be attributed to differences in labour market status. Other factors, such as the hours of work of informal caregivers in paid work, their educational attainment and their spouses' labour market activity, appear to also contribute to these differences.

First, a large majority of men and women caregivers in paid work were employed full time. Proportionately, more of those in paid work have at least some post-secondary education (71.7%) although the proportion of those not in paid work with the same level of education is also quite high (61.3%). Finally, although a majority of caregivers (in paid work and not in paid work) were married, those in paid work were in dual-earner families. Almost seven in ten men (68.3%) in paid work reported that their spouse was also in paid work while an even higher proportion (82.2%) of working women indicated that their spouse was working (Table 2). A majority of the spouses also worked full time and a large proportion had at least some post-secondary education (data not shown). These factors taken together may help explain the relatively high family income of working caregivers in dual-earner families. It is important to note, however, that while family income is an important indicator of well-being, the influence of factors, such as family size and region of residence, is important and needs to be explored further.

Who Provides the Most Informal Care?

As noted above, a majority of men and women caregivers work full time, which suggests that balancing time between work and caregiving may be an issue. Among working caregivers, women spent proportionately longer hours giving care than men. While women provided an average of 26 hours of care per month, men provided only 15 hours of care likely due to gender differences in caregiving

TABLE 2
Caregivers in Paid Work and Spouse's Activity

Activity of Spouse/Partner	Men		Women	
	('000)	Percent	('000)	Percent
Paid work	373	68.3	333	82.2
Not paid work	173	31.7	72	17.8
Total	546	100	405	100

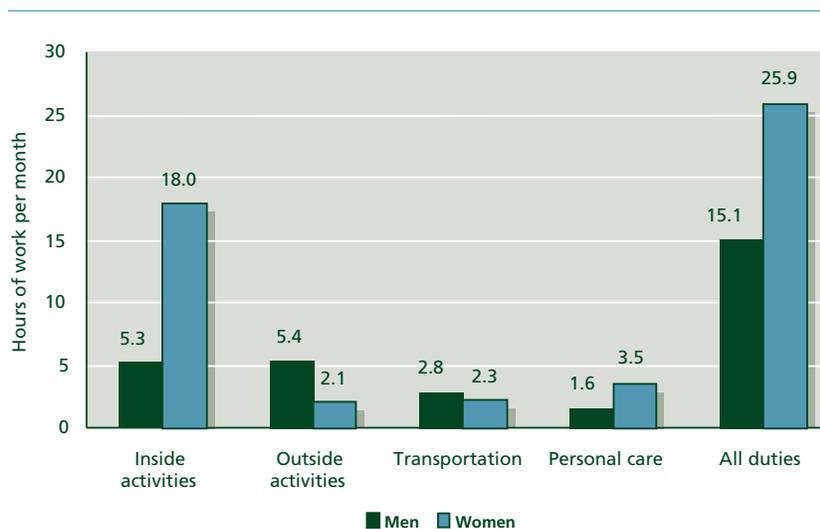
Source: Statistics Canada, 2002 General Social Survey.

duties.⁶ The evidence suggests that women spent more hours providing personal care and other activities inside the home, such as meal preparation and household chores, which most likely occur on a regular basis (18 hours on inside activities versus 5.3 hours for men). Men were more likely to help with activities outside the house, such as home maintenance, yard work, and transportation, which may occur less frequently (Figure 1).

Employment and Economic Consequences of Caregiving

Caregiving is a responsibility that is embedded in our social fabric, and most Canadians value the enrichment derived from giving care. According to the 2002 General Social Survey, the vast majority of men and women felt that, in giving care, they were simply giving back what they had received (Cranswick, 2003). With proportionately more Canadians working longer hours than in the past, caregivers in paid work increasingly have to balance

FIGURE 1
Average Time Spent on Various Caregiving Duties



Source: Statistics Canada, 2002 General Social Survey.

TABLE 3
Consequences Related to Caregiving

All Caregivers in Paid Work ('000)					
	ALL	MEN	WOMEN	45-54	55-64
	1,213	658	555	855	358
Employment and Economic Consequences (percent)					
	ALL	MEN	WOMEN	45-54	55-64
Extra expenses	37.9	35.3	41.1	38.6	36.0
Reduced hours of work	16.2	12.8	20.2	17.3	13.7
Changed work patterns	20.4	14.9	27.0	21.3	18.7
Reduction in income	8.9	7.4	10.6	9.2	*8.1
Social and Personal Consequences (percent)					
	ALL	MEN	WOMEN	45-54	55-64
Social activities	30.2	27.8	33.0	35.1	31.0
Holiday plans changed	23.7	19.9	28.3	24.2	22.3
Sleep affected	13.8	10.2	18.2	15.8	*9.2
Health affected	11.7	6.1	18.4	12.9	*9.2

Notes: *Use with caution due to small sample size.
 Due to the possibility of multiple responses, the percentages do not add up to 100.

Source: Statistics Canada, 2002 General Social Survey.

the demands of caregiving with the demands of the workplace.⁷

The juggling act of balancing elder care and work has an impact on hours of work as well as earnings for working caregivers. Moreover, close to two in five caregivers in paid work claimed to have incurred extra expenses related to caregiving (Table 3). More than one in five caregivers changed their work patterns to meet their caregiving responsibilities, and more than one in six reduced their hours of work.

While men and women are equally likely to provide care, women bore the brunt of these adjustments. Women

were more likely than men to change their work patterns, to adjust to caregiving demands (27.0% versus 14.9%) and reduce their hours of work (20.2% versus 12.8%). More women also reported a reduction in income (10.6% versus 7.4%) perhaps due to the longer hours of informal care that women provide. These findings are consistent with research that shows that women providing personal care incur higher costs in terms of added expenses, short-term job costs, and long-term career costs (Gottlieb et al., 1994). These adjustments may also be indicative of the child-care pressures women experience in the family (see sandwich generation).

Social and Personal Consequences of Caregiving

In addition to the financial pressure and adjustments to work, the social and personal well-being of caregivers can also be negatively affected. For example, more than three in ten working caregivers stated that they altered their social activities to provide care. Close to one in four changed their holiday plans, and there were sleep and health consequences for at least one in ten Canadian caregivers. These results illustrate that a significant proportion of working Canadians face difficulties maintaining a balance between the demands in their personal life and providing care for the elderly.

Proportionately more women also experienced social and personal consequences. Women were more likely to have changed their social activities (33.0% versus 27.8% for men) as well as their holiday plans (28.3% versus 19.9%). When asked about health, close to one in five working women reported that their sleep and health were affected by caregiving. Fewer men reported that their sleep (10.2%) or health (6.1%) was affected on account of caregiving. The disproportionate effect on women is likely linked to the type of care, which they provide, and the relatively longer hours spent in caregiving compared to men. This is also linked to socially assigned gender roles. Men generally assist in tasks, such as home maintenance and financial management, while women take the direct, hands-on personal care, which is likely to cause more strain (Brody, 2004).

Despite these social and personal consequences, both men and women caregivers reported that caregiving strengthens relationships between the generations (61% of men and women caregivers) and enables them to give back what life has given them (60% of men and women). In fact, 20.6 percent of men and 22.2 percent of women felt they should be doing more. This suggests that caregivers in paid work accept their responsibilities, despite the consequences.

Prime-Age Workers Face Slightly Greater Economic and Social Consequences

The results of the 2002 GSS show that both prime-age caregivers (45 to 54 years) and those approaching the traditional retirement years (55 to 64 years) report that caregiving has affected them financially or in their personal lives. Slightly more prime-age workers reported that they incurred extra expenses due to caregiving. Those in the prime-age group were also more likely to report incurring a loss of income, reducing their hours of work and changing their work patterns. In terms of social and personal consequences, prime-age workers were also more inclined to adjust their social activities and holiday plans, and experience sleep and health effects due to their caregiving responsibilities.

Research on age and earnings profiles has shown that men's earnings peak when they reach their 40s (Saint-Pierre, 1996).¹⁰ Being at the peak of their earnings potential, caregiving responsibilities may compromise both the earnings and contributions to retirement savings of prime-age care-

Caregiving and Retirement Decisions

The 2002 GSS asked all respondents (45 years of age and over) their reasons for retirement. One question asked if providing care to a family member was a reason for retirement. In response to this question, 10 percent of those 45 years of age and over reported that they retired to care for a family member. More than twice as many of the respondents were women (14.3% versus 6.0% of men).⁸ These results should, however, be interpreted with caution. Retirement may not be a one-time event as people could retire from employment into self-employment or from one occupation into another. The GSS results also show that six percent of men and women caregivers would have continued to work at the time of their first retirement if they could have found suitable caregiving arrangements. The results suggest a need for further research to explore the consequences of work interruptions or earlier retirement due to elder care responsibilities.⁹

givers. However, the extent to which caregiving influences the supply of labour or reduces life-time earnings is a subject for future research (see caregiving and retirement).

Informal Caregivers Value Occasional Relief from Their Responsibilities

Relief in terms of time appears to be a high priority for caregivers in paid work. More than half of women and more than two in five men reported that occasional relief or sharing of responsibilities would help them meet their informal care responsibilities (Figure 2).¹¹ In addition, close to half of women and more than three in ten men would like flexible work arrangements, further underscoring their need for flexibility to manage work and life responsibilities.

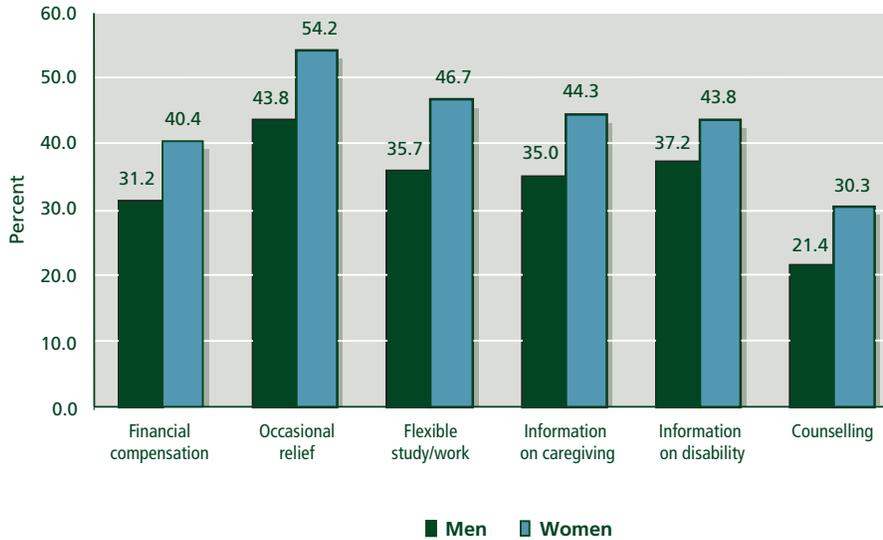
Next to time pressures, information was identified as important by working Canadian caregivers. Infor-

mation on the nature of long-term illnesses or disabilities of the care receiver was cited by more than two in five men and more than one in three women. Slightly more than one in three men and more than two in five women reported that financial compensation would help. This suggests that earnings may not stretch enough to cover the extra costs incurred by some informal caregivers in paid work.¹²

It appears that while some caregivers value financial compensation, more are inclined to seek occasional relief and flexible work/study practices to alleviate their caregiving pressures. It is also important to note that in all the categories, more women than men reported requiring assistance in providing care. This underscores a need to explore further the gender dimension of caregiving in future research. This will help identify optimal policies to help Canadians balance their work and life responsibilities.

FIGURE 2

What would Help in Continuing to Provide Caregiving Duties



Source: Statistics Canada, 2002, General Social Survey.

Policy Implications

The findings suggest that providing care imposes financial and time pressures for working caregivers. Financial pressures weigh more on the sandwich generation than caregivers with no children under 18 at home, likely due to their added responsibility of caring for children. Consequently, proportionately more in the sandwich generation would like financial compensation.

For working informal caregivers as a whole, occasional relief, flexible work arrangements, and information comprise the top three areas of assistance they reported would help. This implies that relief or respite from caregiving, flexible workplace policies, and information that is accessible would go a long way to addressing the needs of family and friends who provide elder care while in paid work.

Policy development requires identifying those in the population who are at risk of compromising their income or well-being due to caregiving. Recent research based on the 2002 GSS has shown who among caregivers in paid work is likely to be at risk (HCIC, 2005). Caregivers who provide personal care, care for more than one senior who is an immediate family member, and live with the care receiver are likely to change their work patterns or reduce their work hours. The research results are true for men and women although women face greater risks as they are more likely to provide personal care, a risk factor for making work adjustments. The adjustments caregivers make will likely reduce their earnings and therefore current and pension income. These short- and long-term effects help identify potential groups among

caregivers in paid work who are at risk. It will also be important to look at caregivers (in and not in paid work) in the working age population who may risk reducing their current and future income as a result of the need to provide care.

There are limitations to developing appropriate and comprehensive policies for the working age population on the basis of available information. For example, the consequences of caregiving on the working age population cannot be established with the available data, which only cover elder-care providers aged 45 years and over. With delayed childbearing and longer life expectancy, caregivers younger than 45 will likely be saddled with the responsibility of simultaneously caring for seniors and young children. Younger caregivers will also replace aging baby boomers in the labour force suggesting that more of them will be earning and caring. Information encompassing caregivers in the working age population will therefore be essential for appropriate and comprehensive policy. The needs for assistance reported by caregivers 45 years of age and over, meanwhile, provide initial areas for policy development.

Conclusions

Today in Canada, family and friends provide more care for seniors with long-term health problems or physical limitations than paid employees or organizations. Moreover, a majority of these caregivers are in paid work and about one in four also have children under 18 at home, the sandwich generation.

The Sandwich Generation in Paid Work

The term “sandwich generation” refers to persons with elder care and child care responsibilities. According to the 2002 GSS, the sandwich generation, defined here as Canadians 45 to 64 years of age, who provided informal elder care and had children (less than 18 years of age) at home, constituted a little more than one in four informal caregivers in paid work. More than half of the sandwich generation were men. Although these differences may seem odd at first, they are explained by the fact that women tend to have children earlier in life than men. When women reach 45 years of age, there is a greater chance that their children are already young adults and have left home.

Respondents were asked questions about the employment, economic and social consequences of caregiving.¹³ The most frequently cited consequence experienced by sandwich generation Canadians in paid work was incurring extra expenses. Nearly two in five of these caregivers reported that they have incurred extra expenses as a result of caregiving. About 20 percent reported a change in work patterns, but only 17 percent reported a reduction in work hours, and 13 percent reported a reduction in income. Although extra expenses were a concern for the sandwich generation, a majority did not incur a reduction in income. This suggests that some Canadian families are able to make workable financial arrangements within the family to prevent their income from being compromised. For example, informal caregivers may arrange for a spouse to continue working so the family

income is not affected greatly. This is highly plausible since more than 90 percent of sandwich generation caregivers are married or common-law partners. However, more research is required to establish this link.

When asked what would help ease caregiving obligations, slightly more than half of sandwich generation Canadians in paid work mentioned that occasional relief from their responsibilities would help. This compared to slightly less than half of all working caregivers (48.6%). This is understandable given their multiple responsibilities of caring for children, providing elder care and balancing this with the demands of paid work. Nearly two in five reported that information on caregiving and long-term illness would assist in their caregiving responsibilities while almost one in four indicated that counselling would help. When looking at all caregivers, the proportions identifying the need for information as well as counselling are about the same. Proportionately more in the sandwich generation (46.1%) reported that flexible work or study arrangements would help ease their caregiving responsibilities compared to all caregivers (40.7%). More sandwich generation Canadians also reported the need for financial compensation as compared to all caregivers (37% versus 35.3%). This suggests that sandwich generation Canadians are somewhat more burdened than all caregivers and have a greater need for both time and financial relief.

According to the 2002 GSS, informal caregivers in paid work, including those in the sandwich generation, incurred financial, social, and health consequences due to caregiving. The findings indicate that many individuals experienced employment, economic, and social pressures due to informal care. Proportionately more caregivers reported that time

pressures as opposed to financial pressures were a concern. In fact, when asked what would help in their caregiving duties, caregivers reported that occasional relief from their responsibilities would be most helpful. For sandwich generation Canadians, however, both time and financial relief were more important.

Compared to men, women caregivers experienced greater employment, economic, health, and social consequences. Slightly more prime-age workers also experienced greater consequences associated with caregiving compared to older workers approaching the traditional retirement years. With a majority of informal caregivers in paid work, work-life balance is an

Data Sources and Definitions

Statistics Canada's Cycle 16 of the 2002 GSS focused on aging and social support. The GSS collected information from nearly 25,000 adults aged 45 years and over who live outside of institutions in the 10 provinces of Canada. Unless otherwise specified, all findings in the paper are from the GSS.

The GSS focused on the themes of social support to seniors and retirement. Respondents were asked questions about help provided and received, with a focus on care received by the senior population, as well as questions related to transitions to retirement.

Care receiver refers to seniors 65 years of age and over who received care for a long-term health problem or physical limitation from both formal and informal sources, in the previous 12 months.

Caregiver refers to Canadians aged 45 years and over who provided care to one or more seniors with a long-term health problem or physical limitation, in the previous 12 months.

Informal caregiver refers to family and friends providing **unpaid** care to seniors with a long-term health problem or physical limitation.

The sandwich generation is defined as Canadians aged 45 to 64 years who have children under 18 years of age living at home, and provide care to one or more seniors with a long-term health problem or physical limitation.

issue of concern for many. Caregivers in paid work met their caregiving responsibilities, in some cases, by reducing the time spent in paid work and consequently incurring social, economic, and health costs. Despite this, caregivers reported that giving care strengthens relationships and enables them to give back what life has given them.

Caregiving is a policy priority in Canada. To this end, social policies will need to consider the appropriate balance of supports to assist caregivers in paid work balance their work and life responsibilities. There are data limitations due to the coverage of caregivers 45 years and over only. The findings, nonetheless, provide perti-

nent information for policy development. Policies to assist caregivers will need to recognize the contribution of caregivers to the social fabric in the family, community, and society at large, and enable caregivers to contribute to the economy and society.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

Notes can be found at the end of this issue.

Policy Implications of Delayed Reproduction and Low Fertility Rates

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Introduction

Canadians are having fewer children and having them later in life than ever before. These fertility trends in Canada and in other industrialized countries reflect profound changes in society over the past 40 years. Issue 10 (May 2005) of Health Canada's Health Policy Research Bulletin, "Changing Fertility Patterns: Trends and Implications" from which this article is adapted, examines the complex dynamics behind recent fertility trends, including transformations in family structure, gender roles, and life transitions.

Research on reproductive delay, commissioned by Health Canada, shows that the gap between the socio-economic status of older first-time parents and their younger counterparts has grown. While later childbearing presents certain health risks for mothers and infants, socio-economic status is a key determinant of health and must also be considered in the study of fertility trends.

There is a need for discussion and debate on the implications of these findings, as well as the need for further research on factors that influence the childbearing decisions of both women and men. From a policy perspective, efforts might well focus on modifying the factors that contribute to these trends, and mitigating or eliminating the disadvantages arising from them. In pursuing debate on the potential for a population policy in Canada, this article puts forward several options to be explored.

Major Trends

Declining Fertility Rates

Total fertility rates (TFRs) in Canada have been declining for over a century. Over the past four decades, Canada's TFR declined from 3.94 in 1959 to 1.50 in 2002, below the population replacement rate of 2.1 (Statistics Canada, 2004).

Declining fertility rates are a global trend. Canada's fertility rates fall between those of "low fertility" countries, such as Ireland, and "very low fertility" countries, such as Italy, Greece, and Japan.²

Why Canada and many highly industrialized countries are "below replacement" is widely debated and of interest to policy makers, in part because of the economic and social implications of an aging society.³ Low TFRs contrast with the expressed desires and expectations of many women and men in Canada to have two or more children (Dupuis, 1998; Beaujot, 2004; Beaujot and Muhammad, 2004).

Delayed First Birth for Women and Men

On average, women and men in Canada have children later in life. Between 1976 and 2002, the average age of first-time mothers increased from 23.4 years to 27.7 years (Beaujot, 2004), and the proportion of first-time mothers 30 years and older increased from 9 percent to 34 percent.⁴ The age-specific fertility rates of women aged 30 to 44 have increased since the late 1970s, while those for women under the age of 30, including teens, have declined.

FIGURE 1
Maternal and Fetal Risks Associated with Reproduction at Older Ages

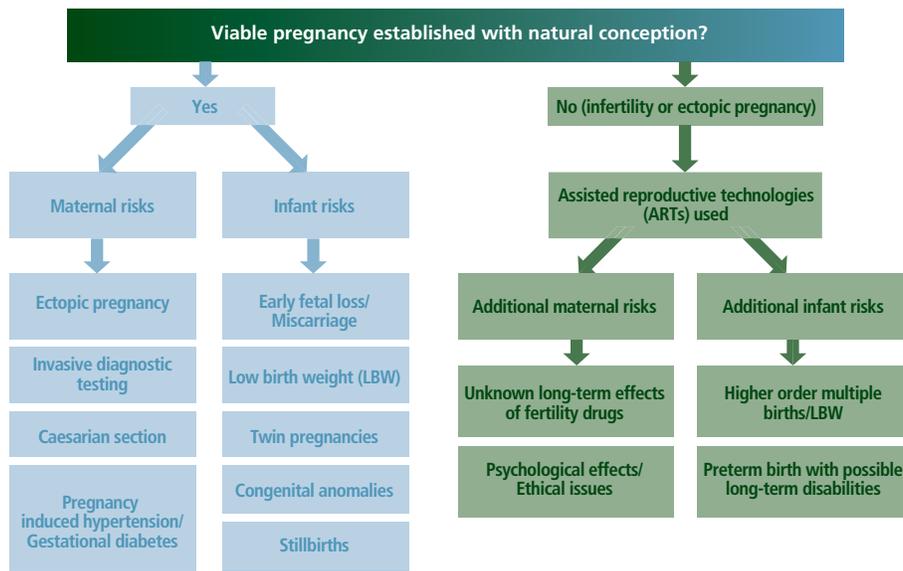
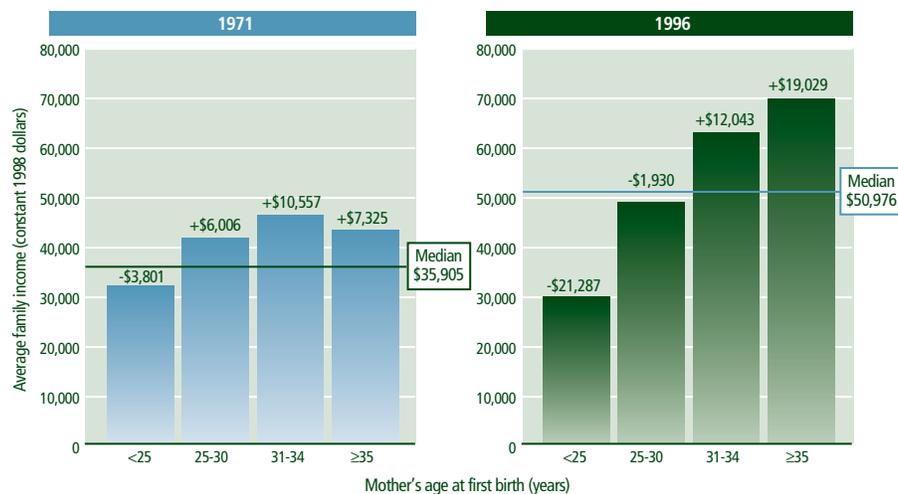


FIGURE 2
Difference Between Average and Median Two-Parent Family Incomes, by Mother's Age at First Birth, Canada, 1971 and 1996*



*Data are based on two-parent families with the oldest being 0-5 years of age. Average and median two-family incomes are measured in constant 1998 dollars.

Source: Statistics Canada, Vital Statistics, Statistics Canada Census data.

The trend toward later parenting also applies to men, although to a lesser degree. For example, the median age of first-time fathers rose from 28.1 years for those born between 1922 and 1940, to 29.6 years for men born between 1941 and 1960, to 31.7 years for those born between 1961 and 1980 (Ravanera and Rajulton, 2004a). Since women have traditionally been the primary subjects of reproductive research, clinical interventions and policies, the health and social implications of later fatherhood have received only limited attention (Sipos et al., 2004).

Other Delayed Transitions

Delayed reproduction is associated with other late transitions for women and men, including late median age leaving the parental home, entering the work force, cohabiting or marrying for the first time. In addition, the “pathways to adulthood” vary with gender, socio-economic status, paid employment, and family circumstances (Ravanera and Rajulton, 2004a,b).

Growing Disparities Among First-Time Parents: Health and Socio-Economic Impacts

The trend toward delayed childbirth is associated with increased health risks for older mothers and their infants. Physical health risks for both are outlined in Figure 1 (Senzilet et al., 2005). In addition, some studies have found that older mothers may have unique stressors arising from their perception of age-related risks to themselves and their babies, as well as their expectations of motherhood, which may affect how easily they make the transition to parenthood (Windridge and Berryman, 1999). These studies suggest

that this age group may experience the transition to parenthood differently than younger first-time mothers. Early detection of older first-time mothers with high expectations of themselves as mothers, lower satisfaction in parenting, and inadequate social support systems would allow for appropriate interventions (Reece, 1993).

While fewer in number, today's younger parents have much lower levels of education, employment activity, and income than parents who have delayed childbirth. (See the accompanying text box.) The divergence in the incomes of younger and older parents over time is shown in Figure 2, which compares the average total family income (after transfers) of different parental age groups to the overall median income (Lochhead, 2005). (These data refer to two-parent families.)

In 1971, the median income of two-parent families whose oldest child was under 6 years of age was \$35,905 (in constant 1998 dollars), and the average income of two-parent families in which the mother was under 25 was about \$3,800 lower. On the other hand, the average income of families in which the mother was age 35 or older was \$43,230, surpassing the overall median income level by just over \$7,000. In short, compared to the median level, younger first-time parents in 1971 were not as well off financially as older first-time parents. Figure 2 also shows the extent to which the income gap has widened over time. By 1996, the median income of two-parent families whose oldest child was age 5 or under had increased to \$50,976 (in constant 1998

First-Time Parents: A Comparison

Educational Attainment – In 1971, 61 percent of first-time mothers and fathers had less than a Grade 12 education. In 1996, only 21 percent of mothers and 23 percent of fathers had less than a Grade 12 education. Gains are also apparent at the post-secondary level. Between 1971 and 1996, the percentage of first-time mothers with a university degree increased from 4 percent to 18 percent, and rose from 11 percent to 20 percent among first-time fathers.

Employment Activity – As a result of increased employment rates among mothers, the majority of couples today having their first child are dual earners (72 percent in 1996, compared with 44 percent in 1971). Many are employed on a full-time, full-year basis.

Family Income – Measured in constant 1998 dollars, the average total family income (after transfers) of first-time parents increased by \$14,400 between 1970 and 1995 (from \$36,600 to \$51,000).

dollars). In the same year, the average inflation-adjusted family income of young parents fell to slightly less than \$30,000. Therefore, the average income of younger parents was \$21,000 below the median, compared to the average income of older parents, which was \$19,000 above the median. The question remains: Is this growing income disparity an important factor in determining health and social outcomes?

Findings on the growing socio-economic disparity among first-time parents, however, must also be considered in the context of research about the links between socio-economic factors and health. One of the best-known concepts in health analysis is the “gradient,” the widely known positive association between the socio-economic status (SES) and health status of a population. A substantial body of literature illustrates

that health differences exist throughout society, with every level in the social hierarchy experiencing better health outcomes than the level preceding it.⁵ For this reason, the trend to reproduction at older ages – to the degree that it is accompanied by higher levels of income, education, and labour force participation – could be regarded as advantageous to both parents and children. Thus, a trend that can carry physical health disadvantages may also carry social and economic advantages that, in turn, translate into benefits for healthy child development.

Current research at the Manitoba Centre for Health Policy (MCHP) uses Manitoba longitudinal data to explore how children's health outcomes and educational performance vary depending on the age of the mother when she had her first child and whether the family received income assistance

Related Research: The Health and Educational Outcomes of Children in Manitoba

Preliminary results from the Manitoba Centre for Health Policy Research show that the vast majority of infants in Winnipeg families whose mother was a teen when she had her first child had normal birth weights. However, during the first year after birth, the child had poorer health status (based on hospitalization rates) than a child whose mother was aged 20 to 24 when she had her first child. Similarly, children in the latter group had higher hospitalization rates than children whose mother was 25 or older. Looking at educational outcomes, children whose mothers were teens when they had their first child were also less likely to pass Grade 3 and Grade 12 standardized tests on schedule than other children, and more likely to drop out or be behind in school by at least one year.

Children in families receiving income assistance in 2001 typically had normal birth weights, and yet a lower health status emerged for these children during the first year after birth. The relationship between socio-economic status and educational performance was also strong, with children in families receiving income assistance performing worse than other children, and performance increasing with each increase in socio-economic status.

Families in which the mother was a teen when she had her first child were most likely to have received income assistance in 2001, even if that was up to 20 years after the birth of her first child. Furthermore, the research suggests that delaying childbearing until after the teenage years may not be enough to protect families from having low incomes. Women who had delayed childbearing until they were aged 20 to 24 were also more likely to receive income assistance in 2001 than women who delayed childbearing until 25 or older. It is not yet known whether young motherhood is a risk factor for, or a symptom of, low income and researchers at MCHP are continuing research in this area.

that delaying childbearing until after the teenage years may not be enough to protect families from having low incomes.⁶ Please refer to the accompanying text box for more information on this important research.

It would be incorrect to assume a mechanistic relationship between the economic status of families and child

research studies using the National Longitudinal Survey on Children and Youth (NLSCY) have demonstrated that income is only one of several factors affecting child development and health. Other factors, such as parenting skills, do not necessarily vary with age, education, or income (McCain and Mustard, 1999).

Results from the 1998 General Social Survey on Time Use indicate that nearly 50 percent of married mothers who are employed full time and have children under 5 years of age experience severe time stress. The extent of time stress and its impact on the health of parents and children is not well understood, and it may be that time stress disproportionately affects older or younger parents. Additional research is needed on this issue in relation to the timing of childbirth, its impact on the health of parents and children, and its possible role as a factor contributing to families and children at risk.

Why Should We Be Concerned?

Roderic Beaujot has described the link between an aging population, delayed reproduction, and low fertility (Beaujot, 2005). These phenomena could well cause Canada to face serious labour market challenges in about 10 years which, if not offset through increased labour productivity, could lead to a decline in the rate of growth of real gross domestic product (GDP) (Fougère, 2005), a lower standard of living, and an insufficient tax base needed to sustain social programs, such as universal health care (Hogan, 2001).

Also, as discussed earlier, a key population level impact of delayed reproduction is increasing disparities in the educational and economic circumstances of “younger” and “older” first-time parents. Such economic disparities may portend a more stratified Canadian society, which could impact the overall health status gradient.

What Underlies the Problem?

The First and Second Demographic Transitions

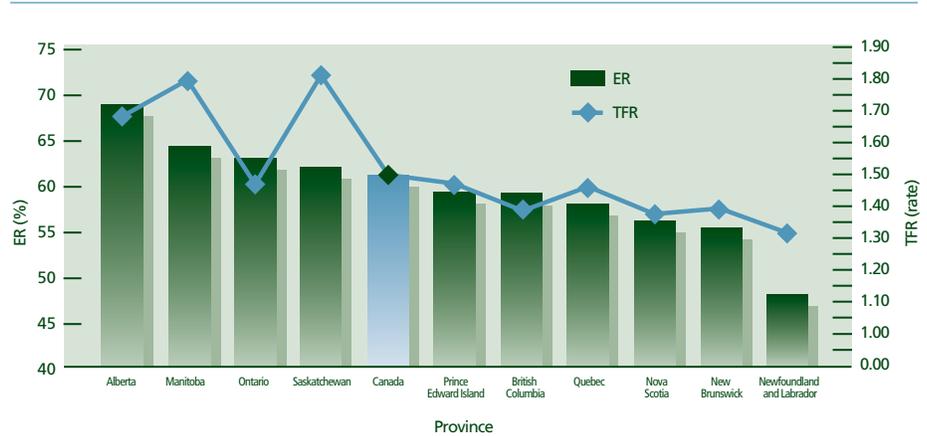
Economic change was at the heart of the first demographic transition. The average fertility rate fell from 6.6 children per woman in 1851, when farm life was the norm in Canada, to 4.6 in 1901, after people began moving to cities in search of economic opportunity. In 1921, after school attendance until the age of 16 had been made mandatory and child labour laws had been enacted, the fertility rate fell to 3.5 children per woman (Milan, 2000). Clearly, children were losing their economic value to the family unit (Beaujot, 2004).

The second transition began as women claimed a greater role in society and became less inclined to raise large families. Two factors contributing to this trend were the increasing opportunities for women to obtain higher education and then pursue careers, and the ever-increasing cost of raising and educating children (Ravenera and Rajulton, 2004b).

Many of our social institutions and social policies have yet to catch up with the demographic transitions, since we have not had the “institutional transition” that is analogous to the introduction of a public education system. Such a transition could ensure that the apportionment of the costs of human capital formation between families and society at large aligns with our societal needs and aspirations, and is commensurate with the costs, and opportunity costs, of having children.

FIGURE 3

Relationship Between Provincial Employment Rates (ERs)* (2001) and Provincial Total Fertility Rates (TFRs) (2002)



* The ER is the number of persons employed expressed as a percentage of the population aged 15 and over.

Source: Statistics Canada, Labour Force Survey (ER), and Vital Statistics (TFR).

Stalled Life-Course Transitions

Parental age at first childbirth is explained by the number and timing of a variety of life-course transitions. Between the two world wars, transitions to adulthood and parenthood – completing education, entering the work force, leaving home, establishing a union, and starting a family – were compressed into a relatively short period of time. Today, life-course transitions may be more numerous, and trajectories (i.e., the order in which the life-course transitions occur) may be more varied, given increased educational requirements and the trend toward entering and leaving multiple relationships before establishing long-term unions. Transitions may take longer, especially as regards the (normatively preferred) imperative to secure a good job prior to contemplating a union. For women, higher edu-

cation, career aspirations, and the all too frequent inability to achieve work-life balance further inhibit family formation (Tudiver, 2005).

Women with a university degree have better labour market prospects and are not as likely as their less educated counterparts to have a child (Milligan, 2004). The opportunity cost of having children is higher among university-educated Canadian women in couples, in that they work longer hours, work more weeks of the year, and earn more than their less-educated counterparts. For Canadian men, higher education delays fatherhood; however, after controlling other factors, higher income enables fatherhood as union formation occurs sooner (Ravenera and Rajulton, 2004a).

Figure 3 demonstrates an association between employment and fertility: by and large, babies are born where the

Case Study: Sweden

In recent decades, Swedish fertility rates have fluctuated so much that demographers have compared its fertility trends to a roller coaster. The total fertility rate (TFR) was at its lowest (1.6) in the late 1970s. By 1985, the country was experiencing a baby boom, and by 1990 the TFR had exceeded replacement level (2.14 children per woman). By 1999, however, the TFR had fallen to 1.52, but by 2002 it had risen again to 1.65.

Policies that embraced working mothers, secure incomes, and improved employment conditions (including universal publicly subsidized, high-quality child care), in combination with favourable economic conditions and low unemployment, succeeded in raising Sweden's TFR in the 1980s. The reduction of some of these policies in the 1990s contributed to a sharp decline in TFR, and their subsequent partial restoration contributed to an increase.

The key lesson from Sweden is that TFR is sensitive to the presence or absence of policies supportive of family formation, as well as to prevailing economic conditions.

jobs are (Tudiver and Senzilet, 2005). It does not, however, explain why British Columbia's fertility rate is almost as low as that of Newfoundland and Labrador, and it does not provide insight into which life-course transitions are delayed, and why. Considering, though, that student debt levels are highest in Newfoundland and Labrador, and that mortgage debt is highest in British Columbia (Statistics Canada, 1999), it could be that debt and the unavailability of good jobs delay home leaving in the former, while housing costs might help explain why fatherhood is delayed most in the latter. While more research is needed to understand stalled transitions, it seems clear that the story will differ between regions.

Housing costs, the pursuit of higher education, the servicing of student debt, experimenting with relationships

prior to forming a union, and the unavailability of good jobs all help explain, to varying degrees, the delay in home leaving, arguably one of the most important transitions to adulthood and independence. In 2001, 41.1 percent of Canadians aged 20 to 29 were still living with their parents, compared to 27.5 percent two decades earlier. In Europe, the average age at home leaving ranges from the mid-20s in Italy and Spain to 20 years in Sweden. It would appear that home leaving is facilitated in countries, such as Sweden, where there are greater social transfers to young people.

The Economy and Earnings

In 1971, only 44 percent of families had two incomes, but by 2000, 62 percent of families had two incomes (Vanier Institute, 2004). A study of Canadian couples between 1980 and

2000 (where the man was between age 25 and 54) found that the average annual earnings of the men rose by two percent in constant dollars, while median annual earnings dropped by six percent (Morissette and Johnson, 2004), suggesting that the majority of those men had declining annual earnings. Men aged 35 to 44 with a university degree who were married to women who also were university graduates benefited the most, while men in all age categories with no more than high school education lost significant financial ground.

Increased labour force participation by female lone parents led them to some of the largest percentage gains in family earnings between 1989 and 2001 (Sauvé, 2004) although some of these gains appear to have been lost in the following year (Sauvé, 2005).

What, if Anything, Can We Do?

What can be done about the higher dependency ratios that the baby boom, increased life expectancy, and sub-replacement TFRs have generated? The possibilities include accepting the very real possibility of a lower standard of living (if higher productivity per worker does not compensate for a proportionately smaller work force), increasing economic immigration levels to replace workers who will retire during the coming decade, deferring the transition to retirement, and implementing policies that seek to reverse the decline in TFR (Bongaarts, 2004). Pursuit of any or all of these scenarios would require debate on the merits of a population policy for Canada, to arrive at some

consensus on desired population size and strategies for achieving it.

Quebec's Allowance for Newborn Children (1988 to 1997) appears to have had greater influence on the occurrence of third births than on first births (Duclos et al., 2001). It is not clear, however, how much of Canada's fertility decline can be attributed to "missing" first births (i.e., women not having any children) versus "missing" third and higher order children. Sweden (see text box on the previous page) (Grant et al., 2004) and France also found that incentives contributed to higher fertility, and it appears that the impact on parity was the same as in Quebec.

In Canada overall, while the rates of second and third and higher births have remained largely unchanged over time, the rate of first births has been more volatile. By and large, the literature is silent on the characteristics of childless families. More research is needed to study the extent to which infertility, as well as the various socioeconomic characteristics of childless couples (including the extent to which people of reproductive age are either between relationships or in unstable ones), are factors that contribute to the "missing" first child.

How Can We Do It?

The evidence shows that no single measure can influence fertility, but that a suite of them used in combination can (Caldwell et al., 2002). Policies and political cultures that favour social capital also appear to be favourable to the development of

human capital. In pursuing debate on the merits of a population policy, the following options could be explored.

Rethink targeting. It is perfectly reasonable to target income supports on the basis of economic need; however, not all needs are economic in nature. For example, early childhood development programs should be more widely available, because not all children who would stand to benefit from an enriched early childhood experience are found in low-income families (McCain and Mustard, 1999). Similarly, before Canada's Baby Bonus Program evolved into the income-dependent Child Tax Benefit, it had a symbolic value, which likely transcended its economic value, in the sense that it acknowledged that Canadian society as a whole valued children and had a stake in them.

Consider intergenerational equity issues. Helping young people through their important early life transitions and enabling them to become parents, if that is their wish, will require Canadian society to work out better ways of transferring resources to them. This, in turn, will require a longer period of post-reproductive productivity, which means that we should be thinking of later, rather than earlier, retirement from the labour force. In the 1980s, Canada showed that it was possible to deal with the high prevalence of poverty among seniors through greater intergenerational transfers; it ought to be equally possible to address the needs of younger Canadians.

Promote work-life balance. The recent Canada-Quebec agreement to

de-link parental leave benefits from Employment Insurance, in order for such leave to be accessible to those who are self-employed, is illustrative of the kind of program innovation that is needed. But change here is not entirely up to the public sector. As employers increasingly feel the labour market pressures brought on by the retirement of baby boomers, and as the recruitment and retention of younger workers becomes increasingly critical, there likely will be avid interest in the best practices of achieving work-life harmony. But, it will be important for the public and private sectors alike to be cognizant of Ranson's "deeper dilemma that anything done, in a structural or policy sense, to 'help' women combine paid work and family responsibilities only entrenches the belief that children are women's work" (Ranson, 1998).

Enable life-course transitions. To the extent that home leaving in Newfoundland and Labrador is due at least in part to student debt, and that later fatherhood in British Columbia is due at least in part to housing costs, the goal of facilitating life-course transitions may require a different strategic mix in different regions. Income-contingent repayment of student loans may be more critical in some regions than in others, although economic development and the creation of real, sustainable employment opportunities may be the sine qua non for any increase in TFR in Canada's less affluent regions. Affordable housing opportunities may be of greater importance in Vancouver or Toronto than elsewhere in Canada,

although the means to achieve this will need careful consideration, so as not to inadvertently increase housing prices.

Conclusion

The growing disparities among first-time parents described above may lead to a more stratified Canadian society, but increased stratification need not necessarily imply a steeper health status gradient. Inclusion and a commitment to relative fairness are hallmarks of countries where life expectancy and quality of life are higher (Marmot, 2004).

The foregoing options are among those available, should Canadians favour having a population policy,

that favours measures to increase our fertility rates. These options also ought to favour a more inclusive Canadian society, by investing in all children, by accommodating the needs of young families in the workplace and by valuing young people and helping them through life transitions. This means that Canada will have an opportunity to build human and social capital simultaneously; this is a good thing, given the feelings of aimlessness and alienation among many of Canada's youth today. They are, after all, our next generation of parents.

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Netherlands: Individual Life-Course Savings Scheme

Beginning in early 2006, the Dutch government introduced a voluntary life-course savings plan (*levensloopregeling*). The main objective is to allow workers to strike a better balance between their time and income needs during the different phases of life. Although this plan can be covered in collective bargaining agreements, individual employees are not obliged to participate.

Under the plan, workers can save out of their gross wage, and taxation is deferred until the time when the saving is drawn down. The money in the savings account can be used for various forms of unpaid leave, such as caring for children or ill parents, schooling, a sabbatical or early retirement. The maximum amount that can be saved is 210 percent of the latest annual gross wage.

Source: OECD, 2005.

Equality of Opportunity and Inequality Across the Generations

Challenges Ahead

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Editor's Note

This article is reprinted as it appeared in the 25th anniversary issue of *Policy Options* (March-April 2005), and is also available at <www.irpp.org>.

In thinking about the Canadian welfare state, about past accomplishments and future challenges, I would like to begin by borrowing a few pages from the work of Amartya Sen, the 1998 Nobel laureate in economics. Sen's thinking is neatly summarized in his popular book *Development as Freedom*, which in the first instance is directed to issues in development economics, but has broader implications and lessons for social policy in rich as well as less rich countries.

Sen argues that the major goal and the major means of development should be freedom. Society should offer its citizens the freedom to lead the lives they choose to value.

This idea has in fact been an important undercurrent in the development of the Canadian welfare state, from its earliest days in the post Second World War era. Then, the emphasis was on the importance of full employment and the need for economic security for those excluded from jobs because of business cycle recessions, sickness, or the physical limitations of old age. But from the start there has also been an emphasis on active measures involving investments in human capital. First through more and more years of compulsory schooling; then to the broadening of access to higher education; and more recently to early childhood development.

Sen's thinking asks policy makers to focus on the capabilities of citizens and to remove barriers to full participation in society, thereby allowing them to make use of their talents and develop their full potential. He frequently cites the quest for

freedom from poverty, adequate health care, and education as examples of specific social policies affording citizens these capabilities.

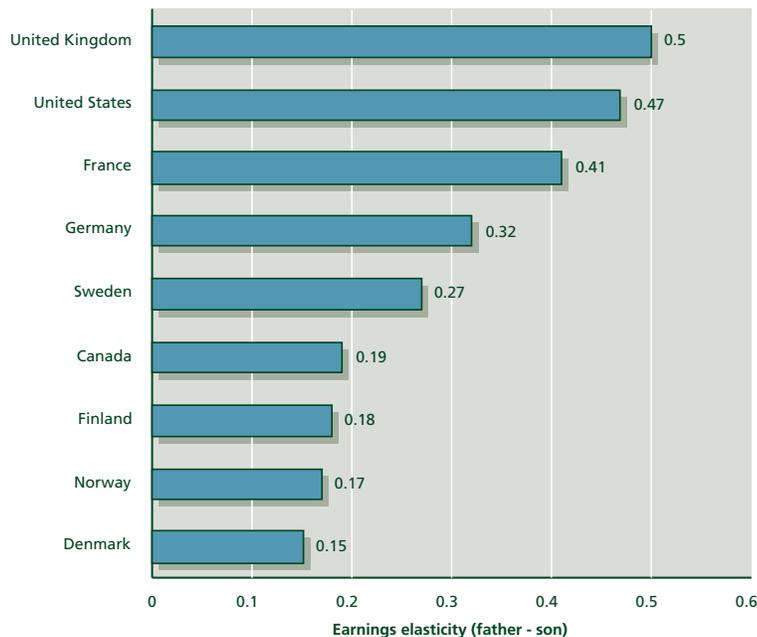
I choose this as my starting point to draw what I think is an obvious link, though one not directly made by Sen or others, to the circumstances of children. There is in the case of this particular group, a connection between on the one hand freedoms and capabilities, and on the other hand direct measures of these concepts as well as policy levers. Freedom means that children can become all that they can be. In some large sense, this means that they are free to realize their full potential, and that their outcomes in life are not tied to their family backgrounds. In other words, for children this means equality of opportunity.

As an economist, I am inclined to think about these issues in terms of labour market outcomes, though obviously the issues are broader than just earnings and incomes. Canadians often pride themselves in having a society that is not subject to the extreme inequalities that are sometimes seen as characterizing our neighbour to the south. But in this essay, I will ask you to think not just about inequalities in the here and now, but also about how these inequalities play out across generations.

There is a sense in which a high level of income inequality need not necessarily reflect, in Sen's words, an "unfreedom" and would in fact be tolerated by even the poorest in society. This would be the case if there were flux and mobility across the generations; if, in spite of current circumstances, the children of the poor

FIGURE 1

The percentage increase in sons' adult earnings for every percentage point increase in fathers' earnings varies by a factor of more than two across the rich countries



Source: Miles Corak, "Do Poor Children Become Poor Adults? Lessons for Public Policy from a Cross Country Comparison of Generational Earnings Mobility," 2004.

were as likely to grow up to be high-income adults as the children of the rich. Similarly, the same high level of inequality in the here and now may have very different implications for social cohesion and individual welfare when there is very little generational income mobility.

Indeed, historically, the possibility that life will be better for their children is the promise that North American societies have held out to many immigrants and that makes the great difficulties of leaving their home country and settling in a new land tolerable.

At first glance, Canadians have a good

deal to celebrate when it comes to intergenerational mobility, especially when it is compared with those of other countries. One direct measure of generational income mobility is the strength of the link between an adult individual's earnings and his or her parents' earnings when they were raising their family. This tie will determine the income advantage, relative to the average family, that higher income parents pass on to their children. Or for that matter the income disadvantage that lower income parents pass on.

The percentage increase in a child's adult income for every percentage point increase in his or her parental

income is presented in figure 1 for a number of OECD countries. The higher this statistic, the lower the degree of generational mobility. These findings suggest, that first, there is a good deal of variation across the rich countries – by at least a factor of two – in the degree to which an earnings advantage is passed to children. Second, in no country is the inherited parental advantage much lower than one-fifth.

The United States, the United Kingdom, and to a slightly lesser extent France stand out as being the least generationally mobile societies, with every 10 percent increase in parental income implying that the grown-up child income will be 4-5 percent higher. At the other extreme are Denmark, Norway, Finland, and Canada where the relationship is more than half as weak.

For example, in Canada during the late 1970s, the market income of families in the top fifth of the income distribution was about $2^{3/4}$ times as great as those in the bottom fifth. The 0.19 statistic in Figure 1 implies that the adult income of someone born to a family at the top would be about 20% higher than someone born to a family at the bottom. With a value in the order of the US or the UK this income advantage would have been 66%.

But what exactly does this statistic mean? The information in Figure 1 is purely descriptive and on its own tells us nothing about the reasons for the degree of generational mobility or for the differences among countries. Effective policy intervention requires not just an awareness of raw correlations, but also an understanding of causal processes. I would like to focus on two

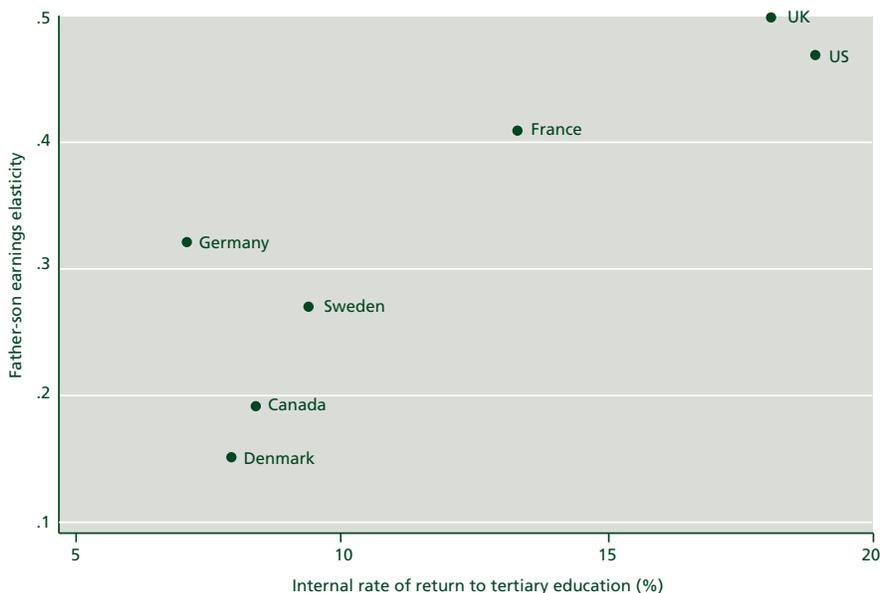
of several mechanisms that underpin these generational mobility figures and that open up distinct opportunities for the conduct of public policy. The first has to do with how labour markets work, and the second with the relative benefits of public policy.

More labour market inequality implies less generational mobility. One important determinant of the degree of earnings inequality is the return to higher education. Figure 2 shows that a higher return to university education is associated with tighter links between father and son outcomes. The figure presents a scatter plot between the estimates of generational income mobility from Figure 1, and the private rate of return to university education (relative to secondary education). For these countries there is a clear positive relationship. The three countries with rates of return higher than 10 percent – the United States at 18.9 percent, the United Kingdom at 18.1 percent, and France at 13.3 percent – are the countries with the least generational earnings mobility.

There are a number of possible explanations for this pattern, but it may be that countries with higher rates of return also have very different structures and policies in place in terms of access to higher education, since one of the reasons for an elevated rate of return is the presence of restrictions in the supply of university graduates. In this sense it may also be that a higher rate of return reflects inequality of opportunity. And, further, higher rates of return do change the incentive for parents, leading those who value education most to invest even more in their children. This explanation focuses on the structure of rewards

FIGURE 2

Generational Earnings Mobility is Lower the Higher the Return to University Education



Source: Miles Corak, "Do Poor Children Become Poor Adults? Lessons for Public Policy from a Cross Country Comparison of Generational Earnings Mobility," 2004 and OECD, Education at a Glance, 2003.

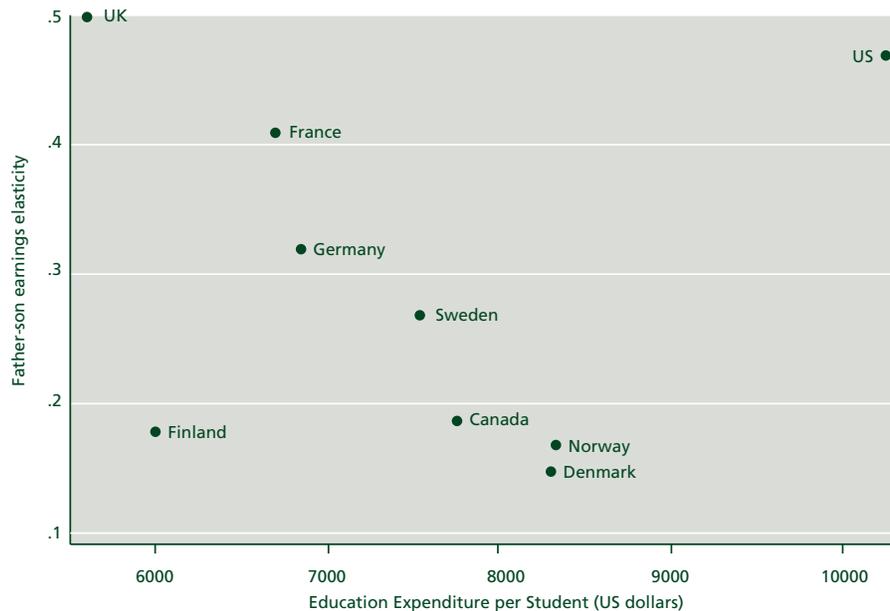
and private investments in children, but it also raises the question of differences in opportunity, i.e., the extent to which children from higher income families are more likely to capitalize on the rewards available to higher education. Thus, the second factor likely to explain cross country differences in generational mobility has to do with the opportunities children are afforded and the nature of public investment in them.

Increases in "progressive" investments – those of relatively more benefit to the less well off – will loosen the link between parent and child outcomes. Traditionally, this was seen as an important aspect of public schooling. Societies differ a good deal in their lev-

els of public spending on education. This is illustrated in Figure 3, which plots the information from Figure 1 against the education expenditure per student.

More spending per student is generally associated with more generational mobility. However, the relationship between public spending on education and the degree of generational mobility is not as simple as that. For instance, the United States is a clear outlier, with the highest levels of public spending but also one of the strongest ties between fathers' and children's earnings. On the other hand, the United Kingdom and Finland both spend relatively low

FIGURE 3
Both the Level and Structure of Expenditure on Education Determine the Degree of Generational Mobility in Earnings



Source: Miles Corak, "Do Poor Children Become Poor Adults? Lessons for Public Policy from a Cross Country Comparison of Generational Earnings Mobility," 2004 and OECD, *Education at a Glance*, 2003.

and similar amounts per student but are characterized by very different degrees of generational mobility. The important point we get from these results is that not only the overall level of public spending on education matters, but also how the money is spent. In other words, the way education systems are structured and how the cognitive capacities of children are developed to allow them to take advantage of whatever opportunities are made available is important.

The best way to understand these patterns is to recognize the extent to which public investments are of relatively more benefit to the disadvan-

tagged. One possible measure of this is how tightly related the abilities and skills of children are to the educational levels of their parents. For example, if literacy and numeracy skills in adulthood are strongly correlated with parental educational levels, this suggests that spending on education has done little to level out relative advantages and disadvantages that are based in the home and possibly that public investments have not been terribly "progressive."

This information is available for seven of the countries under study, and the relationship with generational earnings mobility is illustrated in Figure 4.

In the countries under study there is a very strong positive relationship between generational earnings mobility and the gradient between the numeracy/literacy skills of adult children and the educational levels of their parents, with Germany being the only significant outlier.

This pattern reflects the inequality of private and public investment in children. If the degree of income inequality is higher in one country than another it might be reasonable to expect that not only will the rewards of a given level of investment be higher, but also that the level and distribution of investment in children will be different. A country with more income inequality might also have more inequality in the investment that rich and poor parents can make in their children, and hence a lower degree of generational income mobility.

But the extent to which this is so will also depend upon the degree to which children from less advantaged backgrounds disproportionately benefit from public programs. Under certain circumstances universal government programs can reduce the investment gap between rich and poor children. If the first dollar of investment creates the greatest increase in the well-being of the child, then when government invests equally in all children, poor children are likely to gain more than affluent children. The information in Figure 4, for example, suggests that the UK and the US get relatively little punch in terms of higher generational mobility for every dollar spent on education because the structure of their educational systems reinforces the

relative advantages and disadvantages children get from their home environment rather than leveling them out. Figure 4 suggests that Canada stands at the other extreme with countries like Denmark and Norway. Indeed, the great promise of government investment in the expansion of universal education and increased access to higher education during the post-war period was that it would give children from relatively disadvantaged backgrounds an extra push and put them on a par with their fellow students. Figure 4 suggests that there are still very large differences in the extent to which this has been done in the welfare states of the rich countries, and as such offers an important hint as to why countries differ in the degree to which economic advantage is passed on between parent and child.

In sum, the generational mobility of earnings in Canada is higher than other rich countries because first, labour market inequalities and the returns to education are relatively lower, and second, the mix of public and private investments in children has been relatively progressive. But this story reflects the situation of the last 30 years or so, a generation that was born in the 1960s, came of age and went to high school and university in the 1970s and 1980s, and found its place in the labour market of the 1990s. It cannot be uncritically transposed to today's newborns and elementary school children, who will be attending the colleges and universities of the 2020s and working in the labour market of the 2030s.

FIGURE 4

Generational Earnings Mobility is Lower the Stronger the Gradient Between Children's Cognitive Abilities and Their Parents' Education Level



Source: Miles Corak, "Do Poor Children Become Poor Adults? Lessons for Public Policy from a Cross Country Comparison of Generational Earnings Mobility," 2004 and Esping-Andersen, "Unequal Opportunities and the Mechanisms of Social Inheritance," in Miles Corak (editor), *Generational Income Mobility in North America and Europe*, Cambridge: Cambridge University Press, 2004.

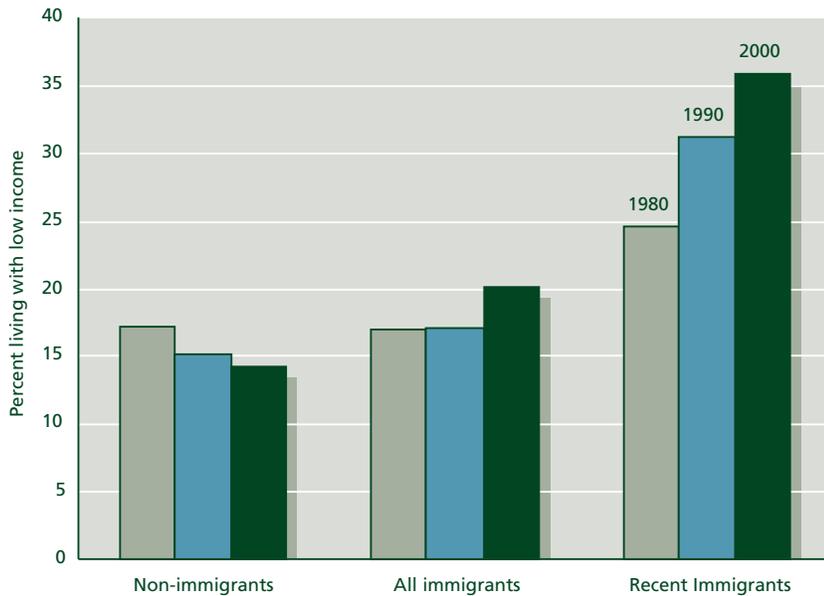
The future holds two challenges. The first has to do with access to education. A climate of higher tuition fees is on the horizon, and if the experience of the 1990s and the recently released Rae Review of post-secondary education in Ontario are any indication, we may also witness more decentralization in the way fees are set in the short run. Fees on average will likely continue to rise, but they will also vary a good deal more, perhaps between provinces, but also between institutions and fields of study. Thus, a much more differentiated post-secondary system is in the offing.

In this context there is a growing concern about access to university education. And while there may be a need for more public funding and for reconsideration of the structure of support to students, particularly to those from low-income backgrounds, the issues of access are more than just financial.

Access to higher education is often discussed in very broad terms, i.e., whether students are more or less likely to attend university according to their family income. In the coming years the significance of access to higher education may be more narrowly framed to refer to access to

FIGURE 5

Recent Immigrants Living in Low Income Families, 1980, 1990, and 2000



particular institutions or fields of study. Generational mobility will also be influenced by the nature of universities' student selection criteria.

If children from higher income families are more likely to have the skills to gain admittance to those areas most highly rewarded in the labour market, a rise in admission standards and the development of other selection criteria may lead to stronger links between family background and post-secondary participation in particular institutions or fields of study. In this sense it is important for policy-makers to understand the non-financial barriers to accessing higher education, particularly circumstances earlier in the lives of young people that help them continue their education after high school.

This is why concerns about generational mobility may lead policy-makers to focus increasingly on the family, particularly on its role in the development of children's cognitive abilities. Cognitive and social skills are an important determinant of long-run earnings; they are only loosely correlated with educational attainment; and cognitive performance is more closely related to the "cultural capital," or to put it more broadly, the "parenting style" of the family, than it is to its material wealth. In fact, the kinds of parental investments that are decisive are not the monetary kind. The inheritance of education, occupation and income is influenced in the first instance by the impact parents have on a child's cognitive performance, and as Figure 4 illustrates, societies

leveling the playing field with respect to these circumstances have had the most success in promoting generational mobility.

This is also why in Canada over one-third of children from low income backgrounds grow up to be low income adults, in spite of the loose overall tie between the incomes of children and parents. On average, Canadian society is very mobile across the generations, but a significant proportion of children fall through the cracks in this fabric.

Early childhood initiatives may play an important role in determining the degree of generational mobility. If this is the case, social policy may increasingly be called upon to equalize the impact families have on children's skills, beliefs, and motivation. The impact of early childhood initiatives on generational mobility will depend upon the extent to which they prove to be effective and of relatively more benefit to children in disadvantaged families.

The second major challenge to generational mobility has to do with immigration.

The face of immigration has changed, and the experiences of the past are little guide for the future. In the 1960s, 75 percent of immigrants to Canada were from Europe and the US; during the 1970s this fell to 40 percent, and by the 1990s it was only 20 percent. More than 6 in 10 recent immigrants to Canada now arrive from countries in the Middle East and Asia, double the proportion during the 1970s.

While it should be noted that on average immigrants are more educated than the Canadian-born population, their command of English or French is at the same time not as high. This changing structure of immigration, along with the much changed economic climate that has put a higher premium on literacy than was the case in the past, has led to a marked decline in immigrants' economic assimilation. In the early 1970s recent immigrants earned about 10 percent less than their Canadian-born counterparts, in the early 1980s it was about 30 percent, but in the early 1990s it was 60 percent, and it improved only slightly in the later part of the 1990s.

This situation has led to a marked increase in the percentage of immigrant families with low incomes, as illustrated in Figure 5. Between 1980 and 2000 this percentage fell slightly among Canadian-born families from 17 to 14 percent, but among recent immigrants it rose from 25 percent to just over 35 percent. Over one-third of recent immigrant families have low incomes.

In short, the ability of immigrant families to give their children the best possible start in life has worsened. This raises concerns for future generational mobility. However, the bright spot in this picture is the speed with which young children are able to adjust in the context of the Canadian elementary school system. The situation of children born to immigrant parents whose mother tongue is neither English nor French is the most remarkable in this respect. At the age of 4 and 5, when they start kindergarten, these

children score 20 to 30 percent lower on a battery of reading, writing and math tests than their classmates, but by the age of 10 and 11, when they are ready to leave elementary school, their outcomes are no different and indeed in some cases exceed those of children whose parents are Canadian born and whose mother tongue is either English or French.

If we are to maintain the high degree of mobility experienced by previous generations, we must ensure that this performance is sustained over the coming decades and that it continues through high school.

Equality of opportunity implies that inequities of outcome are indefensible when they are due to differential circumstances, but societies and parents influence their children through a hierarchy of circumstances. If we are to understand what equality of opportunity means and how it can be influenced, we have to know what these circumstances are. We can imagine parents giving their children an advantage through social connections and financial support that facilitate access to education and jobs; family investments that influence skills; and finally aspects of family culture that influence beliefs and motivation.

These are the successively broader fields, each corresponding to a successively broader definition of equality of opportunity, that policy makers could seek to level. Equating equality of opportunity with complete generational mobility, with no statistical tie between parent and child earnings, implies that not only should the influence of social connections and invest-

ment be equalized, but so should the influence of family culture. In the words of the Yale political philosopher John Roemer, this is "a view that only a fraction of those who consider the issue would, upon reflection, endorse."

This is a cautionary note: to eliminate entirely the income advantage that is passed from parents to children would require a degree of intervention into the lives of children and families that the majority in most societies would find untenable. The degree to which the parental income advantage passed on to children is consistent with equality of opportunity is not self-apparent. It requires a redefinition of the circumstances acceptable as sources of labour market success, an understanding of the effectiveness of policy interventions, and a recognition of the trade-offs between the gains in eliminating them and the losses in terms of other measures of welfare.

What is clear is that the postwar agenda of offering increased access to higher and higher levels of schooling seems to have reached its limit. If Canadian society wishes to continue to promote equality of opportunity, then we need to invest more in children earlier in their lives to ensure that they have the skills and the opportunities to succeed in the labour market. This shift in direction may involve a conception of equality of opportunity that has different degrees of support among Canadians, because it requires that public policy influences the impact that families have on their children's skills, beliefs and motivation.

In this sense, whether the Canadian welfare state is able to offer effective programs of relatively more benefit to the least advantaged, in the context of a growing diversity, is the major challenge determining if the next generation will enjoy the same degree of opportunity, or to use Sen's word – freedom – as the last generation.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

The Emergence of Cross-Border Regions: Interim Report

The Canada-US Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA) opened a new era in Canada-US relations, not only in the area of economic relations but, more generally in the ways the two countries interact. The economic consequences have been extensive and largely positive, but another manifestation of their new relationship has been the growing extent of links of various kinds between the two countries – especially between adjacent and nearby areas along the border.

The PRI project on North American linkages has been studying the emergence of cross-border regions and the implications for the Government of Canada in terms of foreign, economic, and regional development policies.

The PRI is releasing project findings to-date in the Interim Report on the Emergence of Cross-Border Regions, as well as a working paper on a leadership survey on Canada-US Cross-Border Regions. A briefing note that provides an executive summary of these reports is also available.

Changing Nature of the Family

Jeff Carr
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This article provides a brief look at how Canadian families have changed over the last few decades. Three dimensions are examined: union formation, the number and timing of children, and employment behaviour.

This report uses data and projections from the LifePaths model¹ designed and maintained by Statistics Canada. LifePaths is a dynamic, longitudinal microsimulation model of individuals and families. Using behavioural equations estimated from a variety of historical micro-data sources, LifePaths creates life histories from birth to death that are representative of the history of Canada's population. The model simulates the entire lives of these synthetic individuals and allows us to examine both past and future trends.

Union Formation

Union formation has changed dramatically in Canada; the fact that this section is titled “union formation” instead of “marriage” is indicative. Surprisingly, one factor that has remained almost completely unchanged is the fraction of the population in a union. While a constant fraction of 60 percent of the population² has been involved in a union at any given time over the past 35 years, the nature of those unions has varied dramatically, with the fraction of married individuals falling from 60 percent of the population to 49 percent while the number of individuals in common law unions following an opposite trend rising from one percent to 11 percent of the population.

The fraction of married individuals is largely a historical artifact. In terms of new union formations, the trend toward common-law unions is far more pronounced. In 1970, there were about five marriages for each common-law union formation, by 1987 the ratio was one to

one, and now, in 2005, there are two common-law union formations for each marriage.

This trend toward common-law union formations is accompanied by a trend toward a greater number of lifetime union formations in general. Whereas individuals from birth cohorts prior to 1930 could expect to form one lifetime union, more recent cohorts can expect to form significantly more unions, reaching almost two per individual on average for the 1975 birth cohort.

Finally, the timing of union formation is changing dramatically. Each generation after the 1945 birth cohort is waiting later in life to form the first union. One possible explanation for this is the theory that women postpone union formation until education is completed and their career is established. However, both sexes have seen similar increases in their age at first union formation so women alone do not explain this trend. An interesting fact is that the timing of first union formation fell dramatically for birth cohorts between 1900 and 1935 and, despite recent increases, individuals

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FIGURE 1
Fraction of Population by Marital Status

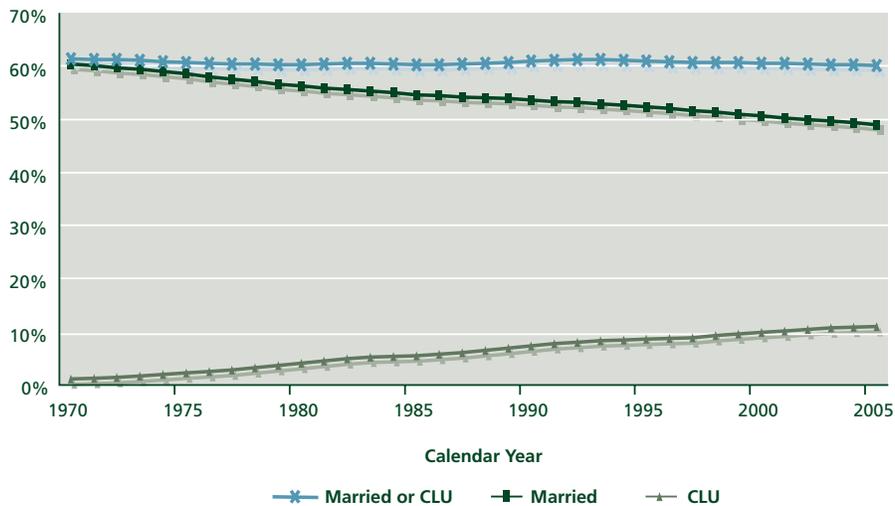


FIGURE 2
Union Formations per 1,000 Canadians



still enter their first union at younger ages than individuals born in the early 1900s.

Number and Timing of Children

A second key family dynamic is the timing and number of children born to Canadian women. The baby boom, the large cohort of individuals born in the 20 years following World War II, is a well-known fact, though the driving forces behind it are not always well understood. Figure 5 depicts the two key forces that combined to create the relatively large size of the baby boom cohort. First, there was a sharp rise in fertility for women born between 1915 and 1930 causing a large number of babies to be born between 1945 and 1965. But more important, there was a steep decline in fertility for subsequent cohorts causing it to fall well below the baby boom level, as well as the historic level of fertility in Canada.

Many factors are undoubtedly responsible for the rise and subsequent decline in fertility, but one issue is the timing of the birth of children. Age of the mother at first birth is an important indicator of lifetime fertility. Figure 6 shows the average age of women at the time of the first birth by birth cohort. Not surprisingly, during the period of rising fertility, the age at first birth declined and during the subsequent period of falling fertility, age at first birth rose significantly. The fact that individuals wait so much later in life to begin families is also an important factor to consider when thinking about the life courses of individuals and the changing life experiences of both the parents and their children due to delayed fertility.

Employment Behaviour

A final aspect of the changing nature of the family is the labour market behaviour of families. Figure 7 shows a dramatic change in this relationship. Whereas the one-earner family used to be the predominant structure, two-earner families are now twice as common as one-earner families. Furthermore, these trends have been strong and constant over the last 35 years and show no signs of slowing down. This has significant implications for work at home. If historically, one individual did not enter paid employment and instead focused on work at home, how is that work being performed with two individuals in the paid labour force? Are individuals performing this work on top of their paid employment, or is there some substitution taking place with paid services being increasingly used to perform the domestic tasks that used to be the responsibility of the non-employed spouse?

Conclusion

Canadian families have changed dramatically. There has been an evolution in the nature of union formations, the timing and number of children, and the labour market participation by family members. Overall, there seems to be later and less attachment to “family” life and greater commitment to the labour force. How does this new dynamic alter the experiences of Canadian families? Is there a need for a changing relationship between governments and families? Are these trends driven by personal choice or economic necessity? This article

FIGURE 3
Average Number of Lifetime Union Formations

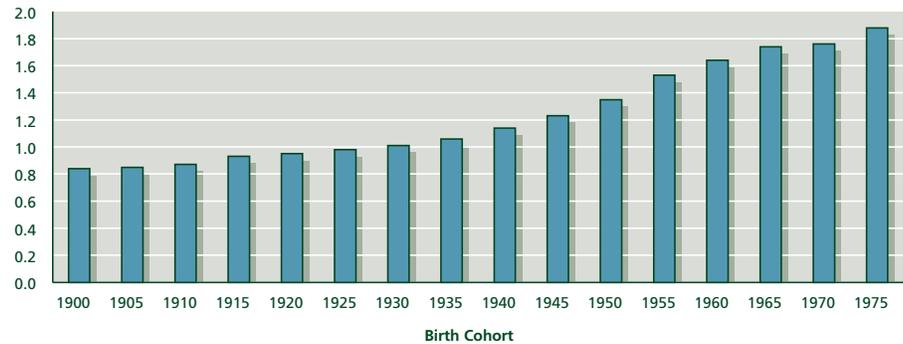


FIGURE 4
Average Age at First Union Formation

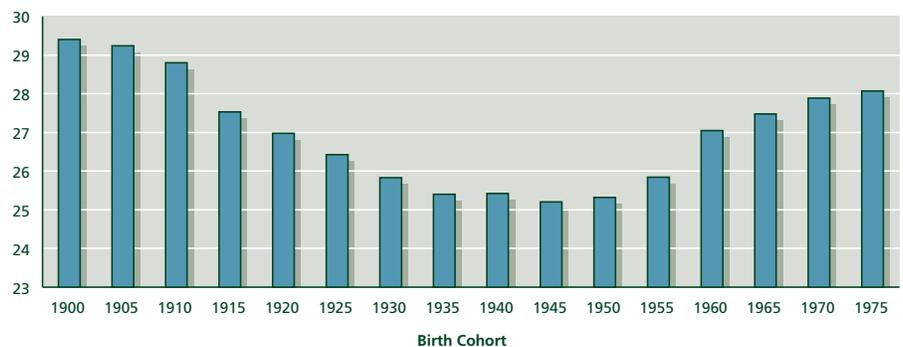


FIGURE 5
Average Lifetime Number of Children per Woman

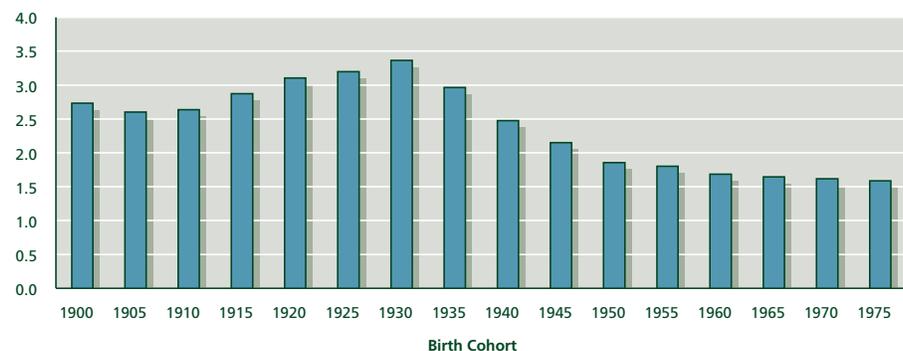


FIGURE 6
Average Age at First Birth (Mothers)

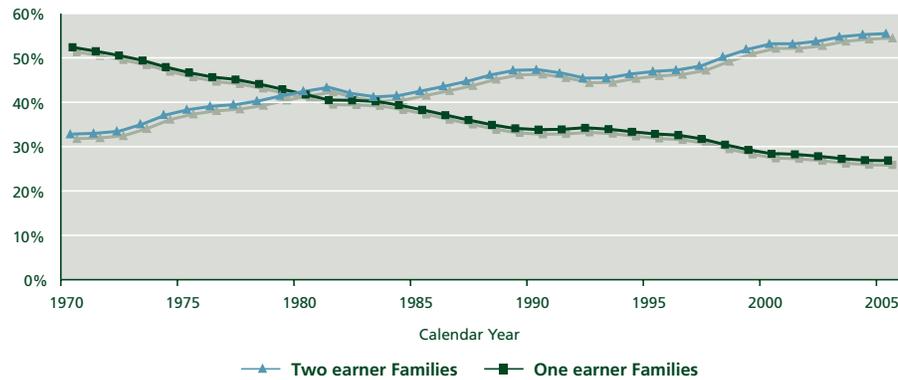


sought to provide an evidence base to help formulate these questions and provide a platform for future research.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

Notes can be found at the end of this issue.

FIGURE 7
Fraction of Population by Economic Family Type



Lifetime Labour Force Transitions

Jeff Carr
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This article outlines the results of a LifePaths simulation on individual labour force transitions.

The goal is to examine the typical employment life courses of individuals, how they evolved over time, and how they vary among groups.

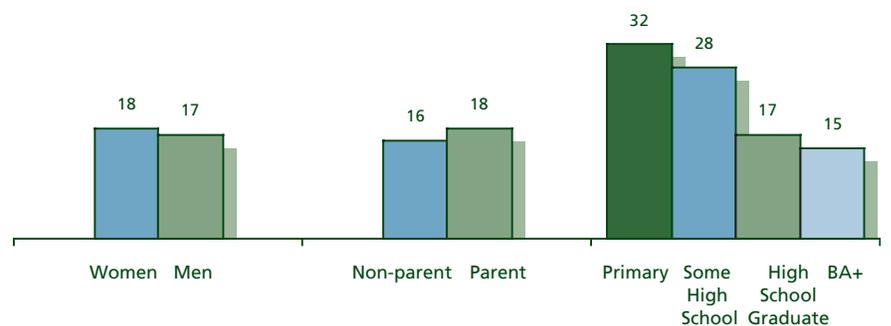
There are three possible employment states in the LifePaths model, paid employment (PE), self-employment (SE), and not employed (NE). Throughout life, an individual will move between these states numerous times. There are seven possible transitions that could occur between these states,¹ but the vast majority of changes are either into or out of employment. As a result, this article focuses on the number of transitions from employment to non-employment.

The reasons behind the transitions are not explored here. For example, a transition from paid employment to not employed would be registered

if an individual quit his or her job, was fired, took maternity leave, left the labour force briefly before moving to another job, or retired. As a result, it is somewhat difficult to say that a given transition is “good” or “bad.” However, the number of transitions experienced over an individual’s life, with more transitions indicating less stability, can measure the stability of work life. In general, decreased stability is not likely to be the preference of most individuals.

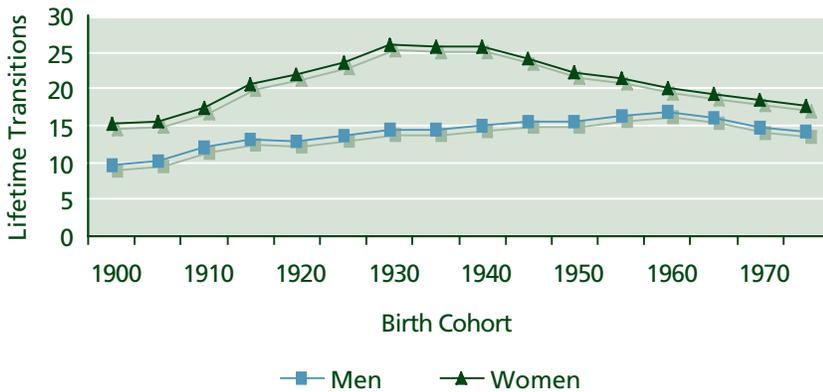
The transition data are divided into four key dimensions for analysis. Birth cohort is the first dimension and allows the examination of how the employment life course has changed over generations. The other three dimensions (sex, education level, and parental status) allow us to examine how employment histories may vary by group.

FIGURE 1
Lifetime Transitions From Employment to Non-employment
(1975 birth cohort)



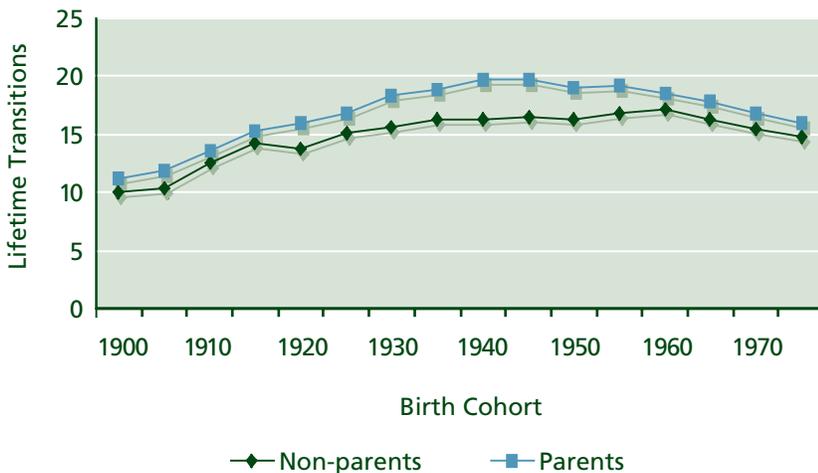
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FIGURE 2
Lifetime Transitions From Employment to Non-employment, by Gender Standardized*



*Standardized by multiplying the number of transitions per year worked per individual within each birth cohort by a standard 35-year working life to offset the impact of rising labour force participation.

FIGURE 3
Lifetime Transitions From Employment to Non-employment, by Parental Status Standardized*



* Standardized by multiplying the number of transitions per year worked per individual within each birth cohort by a standard 35-year working life to offset the impact of rising labour force participation.

Descriptive Results for a Single Cohort

Figure 1 shows the differences in transitions between different groups of people. The figure depicts data from the 1975 birth cohort. An examination of trends over time will follow.

Clearly, the labour force experiences of individuals divided by these three dimensions are different. First, women face more labour force transitions than men, approximately one more over the course of a lifetime. A number of possibilities could explain this trend, the most obvious being labour force exits due to childbirth. However, other forces could be at play, such as the nature of jobs women are employed in, the traditional role of men as the primary breadwinners forcing women to adapt their labour patterns to those of their husbands, or other characteristics that vary between the sexes, such as education level.

Parents face more labour force transitions than individuals who never have children. This is not surprising since women typically exit the labour force when they have children, at least for a short while.

While the male-female differential and the parent-non-parent differentials are interesting, they are dwarfed by the size of variation by education level. Clearly, the less educated an individual is, the more turbulent their labour market experience is expected to be, with primary educated individuals experiencing double the number of transitions of individuals with university degrees. The real drop off in number of lifetime transitions

appears to occur when an individual at least graduates from high school, halving the number of transitions faced if only some high school were completed.

Variance Across Cohorts

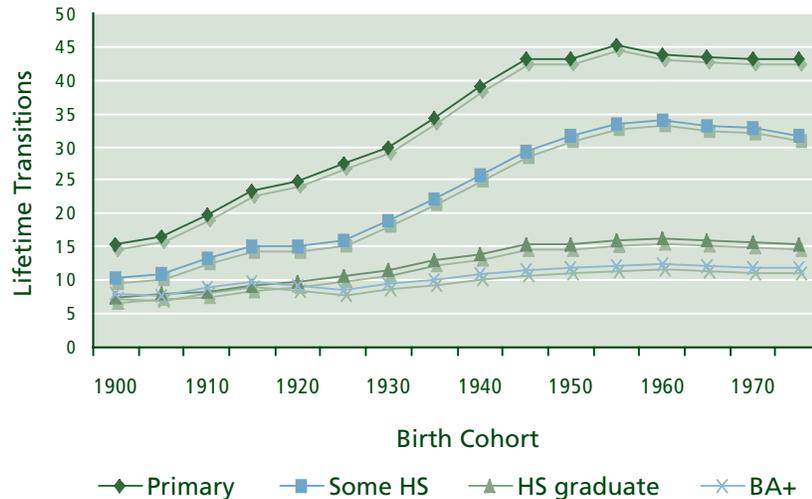
The above discussion focuses on a single cohort: those individuals born in 1975. This cohort may not necessarily reflect the experiences across generations. Figures 2 to 4 depicts the evolution of labour force transitions of individuals across birth cohorts. These show how work experiences have varied over time.

Overall, there is a mild upward trend in the number of lifetime transitions. There is a strong upward trend in transitions per person-year employed for women born between 1905 and 1930 and a strong downward trend over the 1940 to 1975 birth cohorts. The cause of this trend is uncertain, but it could reflect the increasing integration of women into the work force. Perhaps initially, the increasing integration offered unstable jobs or women had loose attachment to their job but, as time passed, the employment situation of women improved.

A similar gentle upward trend can be seen in the impact of parental status over time. The relative lack of variation in the impact of parental status is somewhat surprising due to the fact that there were such large fertility variations between the generations.

Once again, educational attainment proves to be the most interesting dimension to examine. Figure 4 shows the large gaps that exist between the experiences of individuals with differ-

FIGURE 4
Lifetime Transitions From Employment to Non-employment, by Educational Attainment Standardized*



* Standardized by multiplying the number of transitions per year worked per individual within each birth cohort by a standard 35-year working life to offset the impact of rising labour force participation.

ent education levels, as well as the fact that employment stability diverges between the groups. Most of this divergence appears to have occurred by the 1950 cohort with the relative gap remaining unchanged since then.

Multivariate Results

The above analysis provides an interesting description of the differences in employment transition experiences. However, this type of analysis suffers from the weakness that it cannot isolate the impact of any one factor from

FIGURE 5
Lifetime Transitions From Employment to Non-employment, (1975 birth cohort)

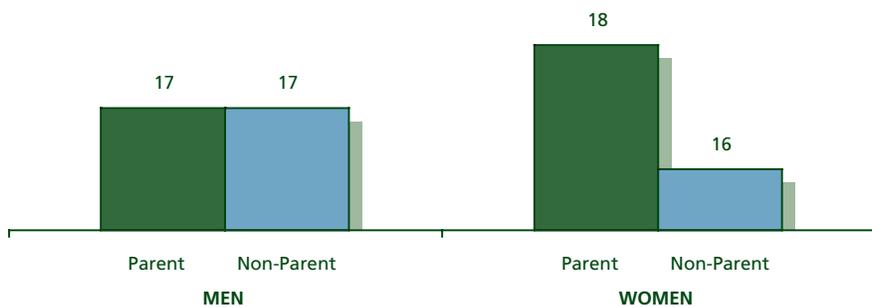
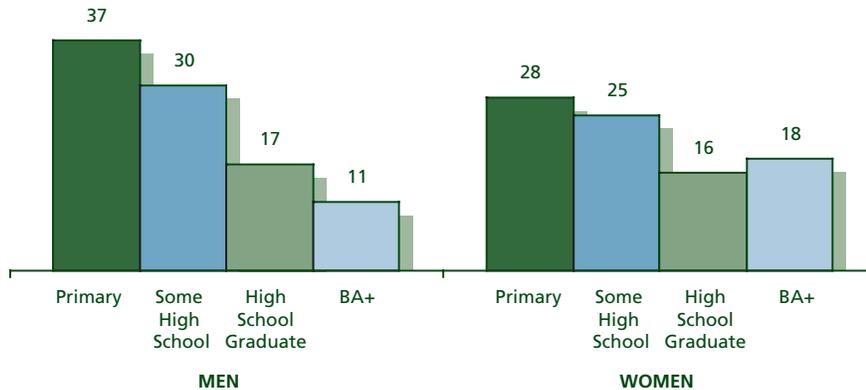


FIGURE 6
Lifetime Transitions (1975 birth cohort)



the impact of other factors on transitions. For example, if more parents in the 1945 birth cohort had only a primary level of education, it would be impossible to say if the gap in parental transitions was due to parental status or education status since both factors would apply simultaneously.

Most interesting is the differing effects of parental status by gender. Overall, being a parent is expected to increase the number of lifetime transitions by one; however, when you decompose this into male and female parents a very interesting trend arises. Being a parent does not alter the number of transitions for men. On the other hand, female parents experience two more transitions than their childless counterparts.

A second interesting result is the differential impact of education on employment transitions by gender. While men follow a smooth trend toward fewer transitions as education increases, women experience a large decrease when they graduate high school but then no additional decrease

for the completion of a university degree. These results raise the question of why university education has so little impact for women compared to men.

Conclusions

- On average, individuals experience a large number of labour force transitions, about 17, over their life course.
- An individual's education has an incredible impact on employment stability. Individuals who fail to complete high school can expect double the number of transitions of someone who completes university.
- Education has become increasingly important over time. There has been an upward overall trend in the number of lifetime transitions for each successive birth cohort; however, the upward trend is far more pronounced for individuals with lower levels of education.
- Gender is also an important factor with women experiencing approximately one more lifetime transition

than men. This is likely to be largely driven by child bearing as female parents experience approximately two more transitions than their childless counterparts, while male parents experience the same number as childless men.

- University education seems to do little to reduce the number of transitions for women beyond the gains achieved by completing high school.

Full references are available in the online version of this issue. It can be accessed by visiting the PRI web site at <www.policyresearch.gc.ca>.

Notes can be found at the end of this issue.

Notes

Work-Life Balance in an Aging Population

- 1 I would like to acknowledge and thank the Population Aging and Life-Course Flexibility project team at PRI, and especially Carolyn MacLeod for her research in support of this article, as well as Sylvain Côté for having co-ordinated the collection of material for this issue of *Horizons*.
- 2 For more information on the PWFC, please see the PRI web site.
- 3 This survey only covered workers employed in corporations where there were 500+ employees.
- 4 A high skilled worker is someone with at least a college degree or apprenticeship, university education, or managerial skills.
- 5 Total time for the population aged 25-54 is equal to the sum of the time spent between those ages in market, domestic, volunteer, and school work, socializing, active and passive leisure, and personal care.
- 6 In his study, non-standard work includes permanent part-time, full-time temporary workers, part-time temporary, own-account self-employed, self-employed employers.
- 7 As of December 31, 2000, Employment Insurance benefits went from covering 12 to 35 weeks of parental leave.

Time-Related Stress

- 1 We would like to thank Christian Dea and Gordon Lenjosek for their helpful comments.
- 2 Statistics Canada, General Social Survey, cycle 12: time use (1998) - *Public use microdata file documentation and user's guide*, Catalogue No. 12M0012GPE, November 1999.
- 3 Many factors impact on the probability of experiencing time crunch. Our models included age, gender, marital status, presence of children, education level, labour force status, household income, region of residence, health status, and four aspects of time use (average daily time spent on child care, other unpaid domestic work, care or assistance to other adults, and community and voluntary activity). Other factors deemed to influence the likelihood of being time crunched, such as wealth and community support, were

not available and therefore not controlled for, which may affect the reliability of our results. Given past evidence on gender differences with respect to time use and time pressures, we also tested how the impact of many factors listed above varied by gender.

- 4 A "typical individual" is an average of women and men with no children under 13 years of age, employed full time, living in Ontario, in very good self-reported health, who spends the average number of hours on unpaid domestic tasks (varying from 1.5 hours for those aged 15 to 24 years to 3.6 hours for those aged 65 to 74 years), and who does not care for other adults.
- 5 Primary child care is distinct from total child care, which also includes time spent looking after household children even if the respondent was doing something else at the same time (Zukewich, 2003).
- 6 This incremental impact applies to an individual who possesses the average of all characteristics included in the regression model. The predicted probability of this "average individual" experiencing time crunch is 15.6 percent.
- 7 "Severely short of time" is defined as having less adult time than is available to a two-parent, two-child family in which each parent works 50 hours per week (Burton and Phipps, 2004).
- 8 See Endnote 6.
- 9 This typical profile differs from the profile used for figures 2 and 3. In this case, the typical individual is aged 35 years, married or in a common-law relationship, employed full time, reports very good health, and spends the average amount of time (3.3 hours) in unpaid household work and who enjoys their job.
- 10 Evaluated for an employed individual who possesses the average of all characteristics included in the regression model. The probability of this "average employed individual" experiencing time crunch is 22.0 percent.

Some researchers have suggested that time crunch is primarily associated with not enjoying one's job. However, this is not substantiated by our work. Notably, the vast majority of employed individuals who report experiencing time crunch also report enjoying their paid work or a neutral attitude to their paid work.

Self-Employed Women's Work-Life Imbalance

- 1 A recent meeting of OECD social affairs ministers.
- 2 For a review of key policies and programs in Canada and Quebec see OECD (2005b).
- 3 Policies aimed at improving work-life balance benefit both men and women, and have wide-reaching implications for the economic and social well-being and prosperity of the whole society.
- 4 Status of Women Canada Policy Research Publications can be found at <www.swc-cfc.gc.ca/pubs/pubspr/index_e.html>. The views expressed in this paper are those of the authors and do not necessarily represent the official policy of SWC or the Government of Canada.
- 5 The majority of self-employed women make less than \$30,000 a year.
- 6 The delivery model for regulated family child-care services varies from one province to another. There is the direct licensing model (British Columbia), the agency model (Quebec), and the mix model (Newfoundland and Labrador).
- 7 The study examined licensed providers of child day-care services who work from their homes in three provinces: British Columbia, Quebec, and Newfoundland and Labrador, and studied five areas of law, where the absence of social protections have negative impacts on their working conditions and can lead to work-life conflicts. These are maternity and parental benefits offered under the *Employment Insurance Act*; the CPP/QPP, compensation for workplace injuries, employment standards, and pay equity.
- 8 While some question its constitutionality, Bill 8 stipulates that despite any provision to the contrary in the labour code or any other statute, family child-care providers are deemed to not be employed by the Centre de la petite enfance.
- 9 On December 16, the Quebec National Assembly passed Bill 124, *Educational Childcare Act* to replace the *Childcare Centres and Other Childcare Services Act*. The Act reforms the administrative regulations and standards for child-care and day-care centres, and restructures the coordination of home child care. While it is a major change in the governance of child-care services in Quebec, the Act did not address, in a direct way, the working conditions of childcare providers.

Informal Caregivers

- 1 This paper represents the views of the authors and does not necessarily reflect the views of Social Development Canada. Acknowledgments: We would like to thank Statistics Canada for making data from the 2002 General Social Survey available.
- 2 More than two in three working age women were employed in 2003 (Statistics Canada, 2004).
- 3 The need for care rises with age. By following cohorts of seniors from 1994 to 2000, Martel et al. (2003) found that of those living independently and aged 80 and over in 1994, only one in five were living independently in 2000.
- 4 Informal care from family and friends was the most common form of care provided for seniors receiving care, according to the 2002 General Social Survey.
- 5 Formal care (i.e., care provided by paid employees or organizations) constituted only 26 percent of elder care according to the same survey. For a detailed review of caregiving for seniors, see Cranswick (2003); Stobert and Cranswick (2004).
- 6 Caregiving tasks are often divided into two categories: activities that help maintain a household (e.g., finances, house-keeping, transportation, and yard care) and personal care, which includes assistance with the activities of daily living (e.g., bathing, dressing, or grooming) (Cranswick, 1997; Conner, 2000).
- 7 The proportion of Canadian adults working longer hours (41 hours or more per week) increased between 1976 and 2003 (Statistics Canada, 2004a). While men work more hours on average than women, the proportion of women working these longer hours increased from nine percent in 1976 to 13 percent in 2003.
- 8 This is corroborated by recent research which indicates that caregiving has the effect of delaying men's retirement without a consistent influence for women except in spousal caregiving which precipitates it (Kazi, 2005).
- 9 A US study of caregivers 45 years of age and over documented the employment, earnings, and pension losses experienced by caregivers (National Alliance, 1999). Recent research also suggests that the

shift in the burden of caregiving to the family, particularly women, will likely affect their economic well-being in later life, potentially pushing them toward dependence on public supports (Wakabayashi and Donato, 2005).

- 10 The research focused on men as women's earnings profiles have only recently started resembling that of men.
- 11 Policy designed to meet the time demands of caregivers is in the early stages. A recent policy tool is the compassionate care leave, which came into effect in January 2004. Eligible workers can receive Employment Insurance benefits for a period of up to six weeks to provide care for a family member who has been medically certified to be at risk of dying within six months (HRSDC, 2004). The initial results indicate a low take-up rate suggesting that the provision of an appropriate balance of supports to address the needs of caregivers still remains.
- 12 In the literature, out-of-pocket expenses cited by caregivers include food, transportation, medications, assistance with rent, or expenses for home care professionals (National Alliance, 1999).
- 13 Only responses on the employment and financial consequences could be reported due to a small sample size.

Policy Implications of Delayed Reproduction and Low Fertility Rates

- 1 With contributions from Linda Senzilet and Joanna Theriault, Policy Division, Health Policy Branch, and Nancy Hamilton, Applied Research and Analysis Directorate, Health Policy Branch.
- 2 For example, in 2003, the TFR in Canada was 1.61, Ireland 1.89, Japan 1.38, Greece 1.35, and Italy 1.26. *CIA World Factbook*. Total fertility rate (children born/woman), 2003.
- 3 Caldwell (2004) provides an overview of various demographic theories and their implications. See also Bongaarts (2002).
- 4 Lochhead (2000) noted that women aged 30 years or older accounted for nine percent of all first-order births in 1976; by 1996, the share of first-order births to women aged 30 years and older more than tripled, accounting for three out of every ten first births. This proportion has continued to rise. See also Payne (2004).

- 5 For one example describing how the gradient functions, please refer to Wilkinson (1996).
- 6 This information is based on an unpublished manuscript and discussions with Marni Brownell about unpublished MCHP research.

Changing Nature of the Family

- 1 For a more detailed description of the LifePaths model please consult the Statistics Canada web site at <www.statcan.ca/english/spsd/LifePathsOverview_E.pdf> and "Fragments of Lives: Enabling New Policy Directions through Integrated Life-Course Data" an article in *Horizons* Volume 6 Number 2 by the PRI at <www.policyresearch.gc.ca/v6n2_e.pdf>.
- 2 Population aged 15+.

Lifetime Labour Force Transitions

- 1 PE to PE (job change), PE to NE, PE to SE, NE to PE, NE to SE, SE to NE, SE to PE.