

# congress 2017 THE NXT150

OF THE HUMANITIES AND SOCIAL SCIENCES

## *Social Inequality in Access to Parental Benefits in Canada*

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# Overview of Presentation

1. 'Parental-leave rich' and 'parental-leave poor' families in Canada and in Québec
  - McKay, L., S. Mathieu and A. Doucet. "Parental-leave rich and parental-leave poor"? Access In/Equality in Canadian Labour-market-based, Temporary Leave Care Policies, *Journal of Industrial Relations* 58 (4), 543-562.
  - Mathieu, S., L. McKay et A. Doucet. 2016. « Politiques sociales, soutien au travail de soins et inégalités de classes », Rapport rédigé pour les 10 ans du Régime Québécois d'assurance parentale, Québec : Conseil de Gestion de l'Assurance Parentale.
2. Discussion of the Federal Government's 2017 Budget Changes to Maternity and Parental Leave
3. Areas for future research

# Maternity/parental benefit history

1971: introduction of maternity leave

## Key changes:

- 1990: introduction of 10 weeks of paid parental benefits
- 2001: parental benefits are extended to 35 weeks
- 2006: introduction of Québec Parental Insurance Program (QPIP)

**\*\*\*At all times, there is a precondition of labour force attachment \*\*\***

# Research question (McKay, Mathieu and Doucet, 2016)



Do Canadian parents in Québec and the Rest-of-Canada (ROC) have equal access to government-sponsored parental leave (PL) benefits? If not, are there program differences? Are there socioeconomic class differences?

# Method



- Use of national survey data -- Employment Insurance Coverage Survey (EICS)
  - 2013 cycle
  - sample of 11,000 respondents
- Data for Québec and the Rest of Canada (ROC)
  - ROC = 9 provinces and excludes residents of the three territories and parents living on First Nation reserves
- ‘Household annual income’ as a proxy for social class (with three income categories)

# Parental leave in Canada and in Québec, 2017

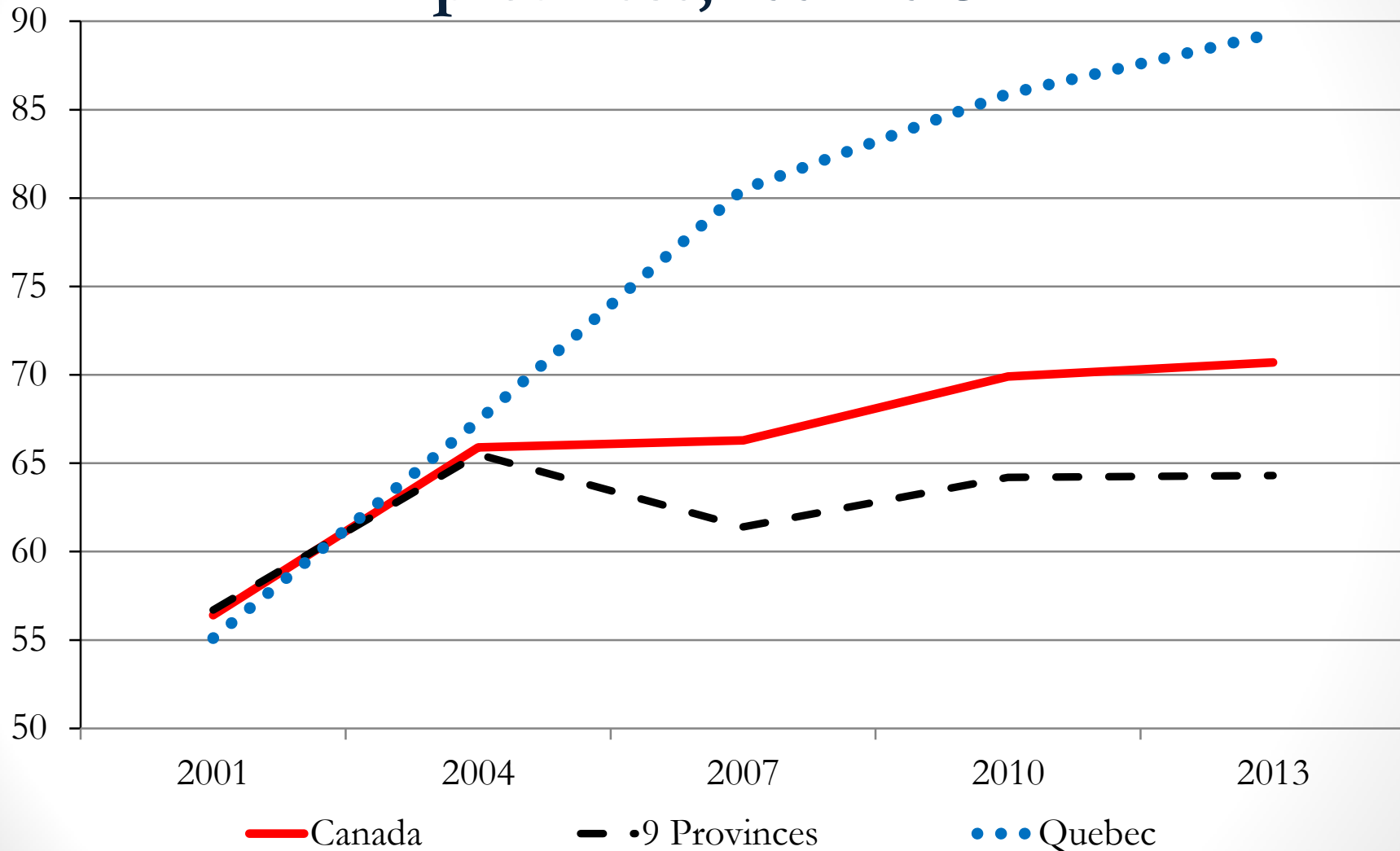
	Canada EI	Qc's Basic Plan	Qc's Special Plan
<b>Eligibility</b>	600 hours	\$2000 earnings	\$2000 earnings
<b>Self-employed workers</b>	As of 2011	Covered	Covered
<b>Waiting Period</b>	2 weeks per couple	None	None
<b>Weeks by wage-replacement rate (% of average earnings)</b>			
<b>Maternity</b>	15 at 55%	18 at 70%	15 at 75%
<b>Paternity</b>	None	5 at 70%	3 at 75%
<b>Parental (shared)</b>	35 at 55%	32 (7 at 70% + 25 at 55%)	25 at 75%
<b>Total weeks per couple</b>	50	55	43
<b>Adoption (shared)</b>	35 at 55%	(12 at 70% + 25 at 55%)	28 at 75%
<b>Low income (&lt;\$25,921)</b>	Up to 80%	Up to 80%	
<b>Maximum insurable earnings (2017)</b>	\$543/week \$51,300/year	\$ 1,045/week \$72,500/year	

# Findings

**\*\*Our findings show a connection between program/place of residence and the take-up of parental benefits\*\***

- Since 2007, an increasing proportion of Québécois mothers received benefits; the same trend is **not** observed under EI in the ROC
- Between 2007 and 2013, the proportion of Québécois mothers receiving maternity or parental benefits rose by 8.8 percentage points

# Proportion of Mothers Receiving Maternity/Parental Benefits, Canada, Qc., and 9 provinces, 2001-2013



Source: EICS, 2001, 2004, 2007, 2010 and 2013, custom tabulation, Statistics Canada

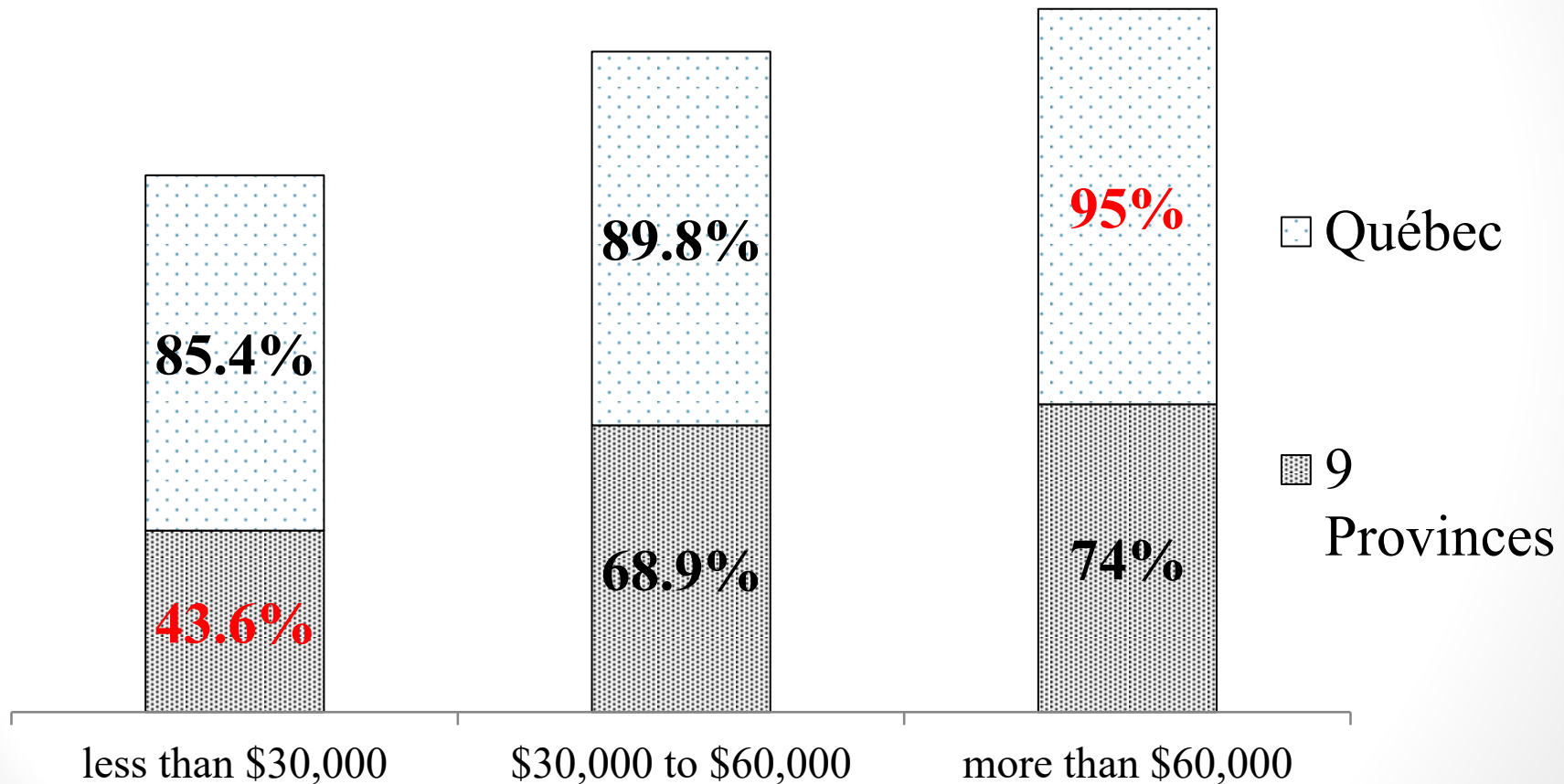


# Which families? Receipt of benefits by household income

**\*\*Our findings also show a connection between class inequality and PL policies in Canada\*\***

- Higher-income families have better access to parental benefits in both programs
- In each family income bracket, more mothers qualify to receive benefits in Québec

# Proportion of Mothers in receipt of Maternity/Parental Benefits by Household Income and Program, 2013



# Which mothers?

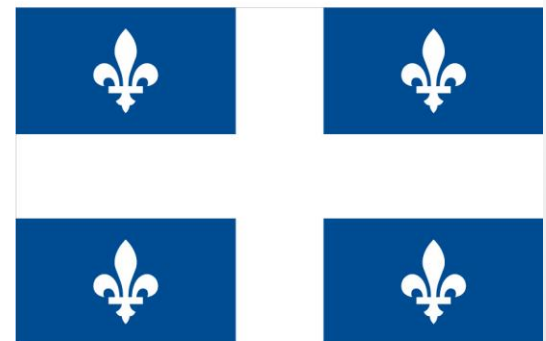
# Which families?

Mothers Not in Receipt of Benefits could be:

- Eligible and not applying
- Ineligible? Why?
  - Insufficient hours?
  - Paid into EI, but not in past 52 weeks?
  - Never paid into EI?

# Inequalities in access to benefits in Québec (Mathieu, McKay and Doucet, 2016)

- Lower eligibility criteria makes it easier for parents to qualify to receive benefits...
- ...but even in Québec, there are differences in receipt of benefits among mothers



# To summarize: inequality of access is a key issue to consider

- Access to PL benefits depends on
  - ✓ program/place of residence
  - ✓ household income
- In other words...
  - ✓ greater access and socioeconomic equality of access under QPIP
  - ✓ annual household income makes a difference to mothers' access to PL benefits
- The greatest reason for program coverage variation is benefit eligibility criteria

# Federal Government's 2017 Budget Announced Extending EI Parental Leave

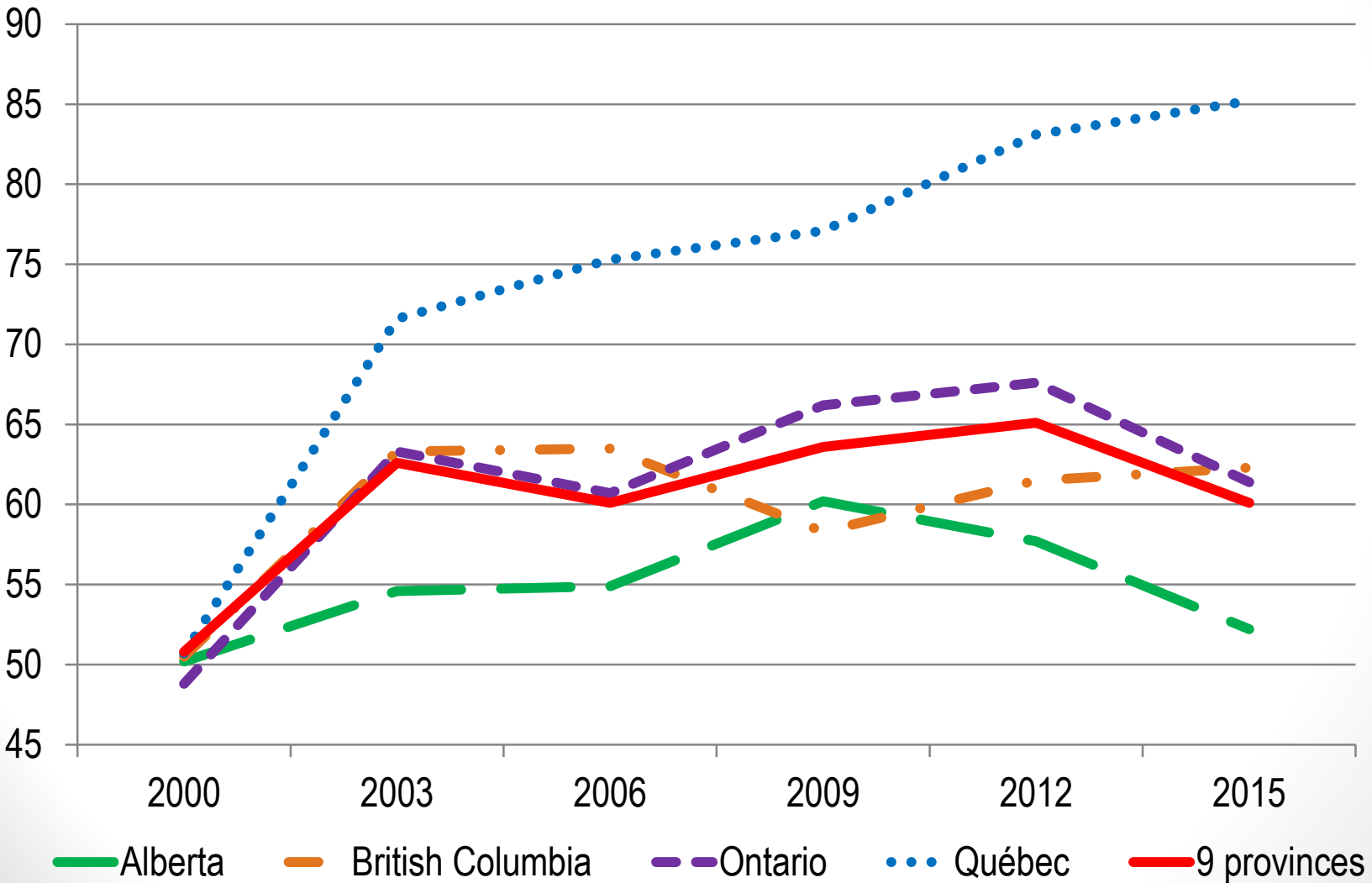
- To provide an 18 month leave duration option
- No extra money
- Who will (be able to) take this option?
- Makes no difference for those currently ineligible

	Current	New
Maternity	15 weeks	
Parental	35 weeks at 55%	63 weeks at 33%
Total	50 weeks (12 months - 2 weeks)	78 weeks (18 months)

# New areas for research

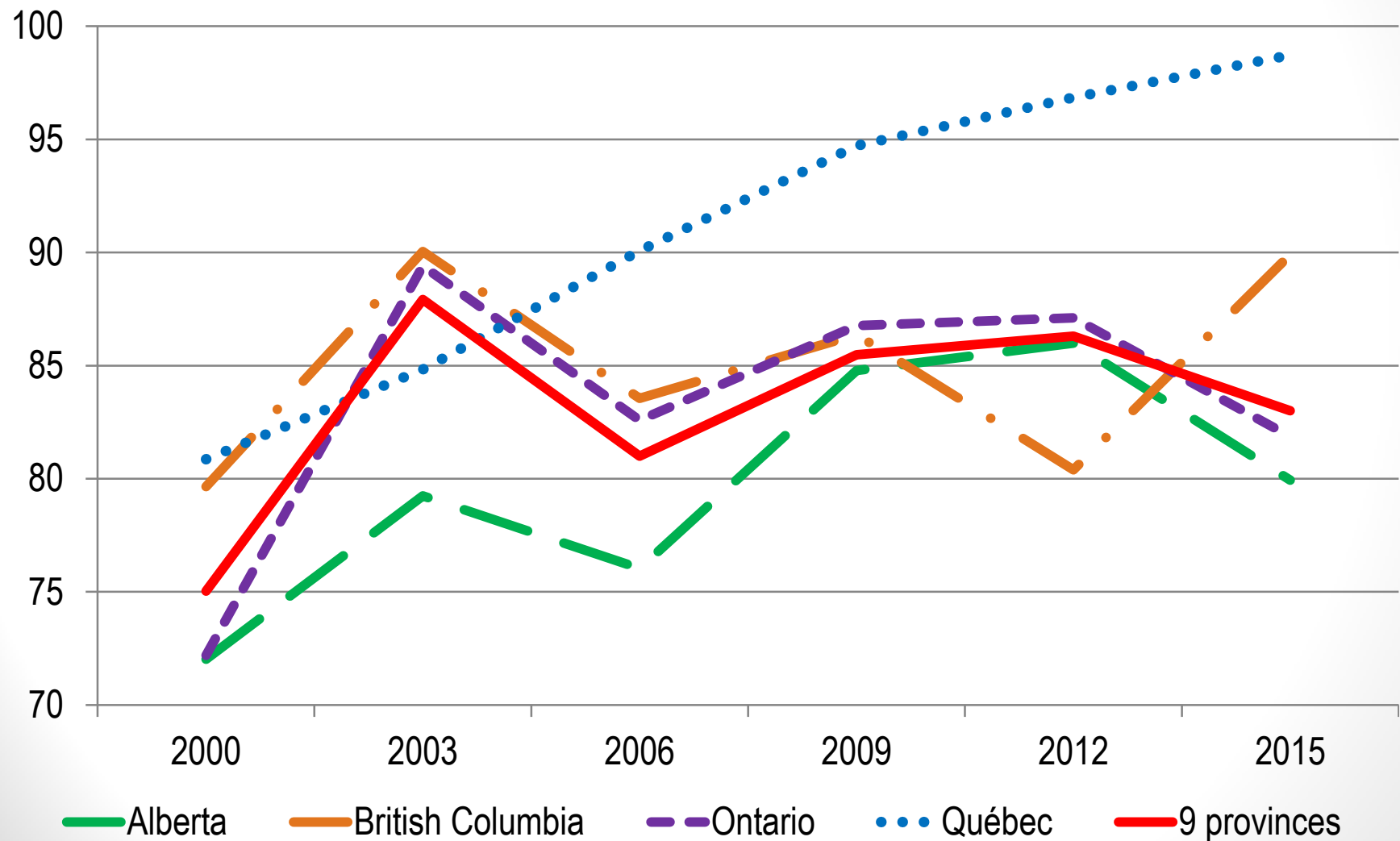
- Need for better data
  - with smaller income categories
  - with better indicators for social class
- Intersectional approach: do fathers have equal access to parental benefits? How do gender and class intersect to affect the take-up of benefits?
- Is Québec the only outlier in terms of « parental leave regimes »?
  - The case of Alberta

# Proportion of all mothers receiving maternity/parental benefits in Alberta, British Columbia, Ontario, Québec and the nine provinces, 2000-2015





# Proportion of mothers with insurable employment receiving maternity/parental benefits in Alberta, British Columbia, Ontario, Québec and the nine provinces, 2000-2015





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