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## Uneven Odds: Men, Women and the Obstacles to Getting Back to Work with Kids

by

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- There are thousands of parents wanting to make their way into the workplace. In this E-Brief, we illustrate how different the experience is for mothers and fathers.
- While fathers typically search for work because they lost their previous job, mothers have often been away from the labour force while taking care of children and managing their home.
- We find mothers' return to the labour force is clearly linked to the age of their youngest child, but the child's age appears largely irrelevant for a father's return to the labour force.
- We discuss policies that may help even out the odds for mothers – including training programs that accommodate caregiving responsibilities, and policies that address gender gaps in pay.

To help stimulate long-run economic growth, a central policy goal will be to eliminate barriers to the labour market and ensure people are able to use their talents wherever they are most productive. The purpose of this E-Brief is to characterize parents and their job searches, recognizing that the need to care for children is one of most important factors all parents must consider when determining the ways in which they will participate in the paid labour market. The goal is to improve our understanding of the challenges and obstacles parents face when looking for work – and the extent to which these challenges are different for mothers and fathers. Ultimately, our findings will facilitate the development of labour market supports.

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In this E-Brief, we focus on the labour market outcomes of parents who are married (including common-law couples) aged 25 to 59, with children under age 18. We restrict our attention to this group for several reasons. First, those aged 25 to 59 are past typical ages for completing post-secondary education, and do not yet qualify for most public pension benefits in Canada. This age restriction thus allows us to focus attention on the role of children in labour market decisions. Second, the negotiations and constraints involved in the labour market decisions of married parents and unmarried parents are very different, and should be analyzed separately.

While unmarried parents often face more significant challenges that are certainly worthy of attention, we chose to focus here on married parents as they represent a larger and sizable portion of jobless individuals in this age group.<sup>1</sup> Third, we consider those with children under age 18 in the household to illustrate how decisions might vary with the age of children. Parents with children over age 18 are only identifiable when young adults continue to live in the same household as their parents. Box 1 provides more information about the survey data we use, details about our samples and definitions of terms we use to describe individuals in this E-Brief.

With the available data, we can offer only a partial picture of jobless parents' circumstances. In what follows, we offer a description of married parents who are without work and their transitions into the paid labour market. Overall, we are left with the impression that mothers with young children in tow might find it very difficult to search for work in a way that fathers typically do not. We then discuss the potential role for policy in supporting parents who seek work.

## Who Are Jobless Parents?

In 2019, there were typically more than 900,000 married parents ages 25 to 59 who were either unemployed or not participating in the labour force. Among them, 21 percent were unemployed (actively searching for employment, waiting for a job to start or temporarily laid off) and 6 percent were non-participants who wanted work but were not actively searching at the time they were surveyed. The remaining parents without jobs (73 percent) were individuals who were not participating in the labour force and reported they did not even want a job at the time of the survey.

When thinking about policies to promote long-term growth, it is useful to look at the experience of people who would like to work in terms of what they were doing before they started searching. Figure 1 shows that, over the past couple decades, it is much more common for fathers than mothers to enter the unemployment category as described above directly after having been laid off from work, whether temporarily or permanently. This is the type of unemployed worker who is generally targeted by the employment insurance (EI) system. In 2019, 46 percent of fathers who entered unemployment did so following job loss.

In contrast to fathers, only 20 percent of mothers who entered unemployment in 2019 did so because of job loss. Mothers were much more likely to be re-entrants – 46 percent of the unemployed mothers were seeking to return to the labour force after some time away. Notably, over 30 percent of unemployed mothers were returning to the labour force after being away from work for more than a year.

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1 According to the 2019 Labour Force Survey, 29 percent of individuals ages 25 to 59 who were either unemployed or not in the labour force were married parents, while 5 percent were unmarried parents. Among those unemployed or not in the labour force but wanting to work, 28 percent were married parents.

## Box 1: Using the Labour Force Survey to Study Jobless Parents

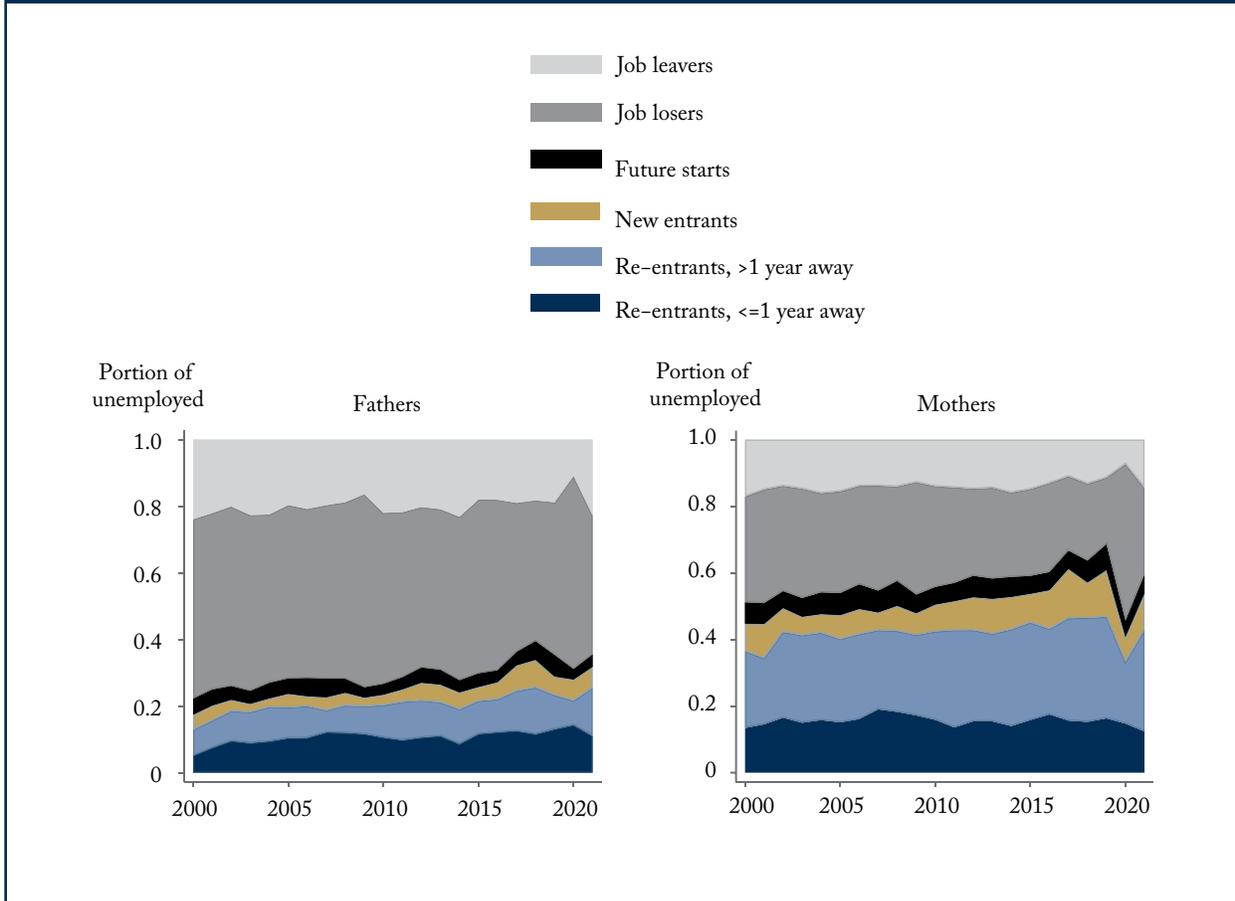
In this E-Brief, we rely on information collected by Statistic Canada in the Labour Force Survey (LFS). Wherever possible, we have used the LFS public use microdata files (PUMFs). In these files, we can observe individuals' labour force status and some personal characteristics. The survey is conducted monthly and in our analysis we pool together available months. For most of our analysis, we restrict our attention to the years before 2020, acknowledging the significant impact of the COVID-19 pandemic and related policies on LFS response rates and reported labour market outcomes.

From the LFS files, we identify married parents as individuals who report their marital status as married or common-law, and report the age of their own youngest child (by birth, marriage or adoption) as being less than 18. By “mothers” and “fathers,” we are referring to parents identified in the LFS as female and male, respectively. Until 2022, the LFS only asked respondents to enter a household member's sex (rather than reporting sex at birth and gender), and we believe it is important to acknowledge that our use of the variable for sex might misrepresent how some respondents would identify themselves if they were asked directly. Our sampling includes all married parents regardless of the reported sex of their spouse.

We consider jobless parents belonging to two categories: those who are unemployed and those who are not in the labour force. In the LFS, the unemployed are asked about their activities just prior to entering unemployment, while those who are not in the labour force are asked if they want to work.

We use the LFS master files, accessed through the Statistics Canada Research Data Centres program, to examine individuals' decisions to enter the labour force. The LFS includes individuals in selected households once a month for six months. Use of the confidential master files allows us to link individuals across months of the survey, letting us observe individuals who transition from non-participation in one month of the survey to unemployment or employment in the next month. The master files also allow us to make use of more detailed information about individuals that would be masked or recoded in the PUMFs to ensure the privacy of survey respondents – such as the precise age of youngest children in the master files, rather than the broad age groups available in the PUMFs. Any statistics created using the LFS master files are reviewed with strict requirements in place to protect respondents' privacy. As such, although we might like to examine some aspects of behaviour and characteristics at a more detailed level than presented in this study, this is often impractical and sometimes impossible.

Figure 1: Flows into Unemployment by Fathers and Mothers, Canada, 2000–20



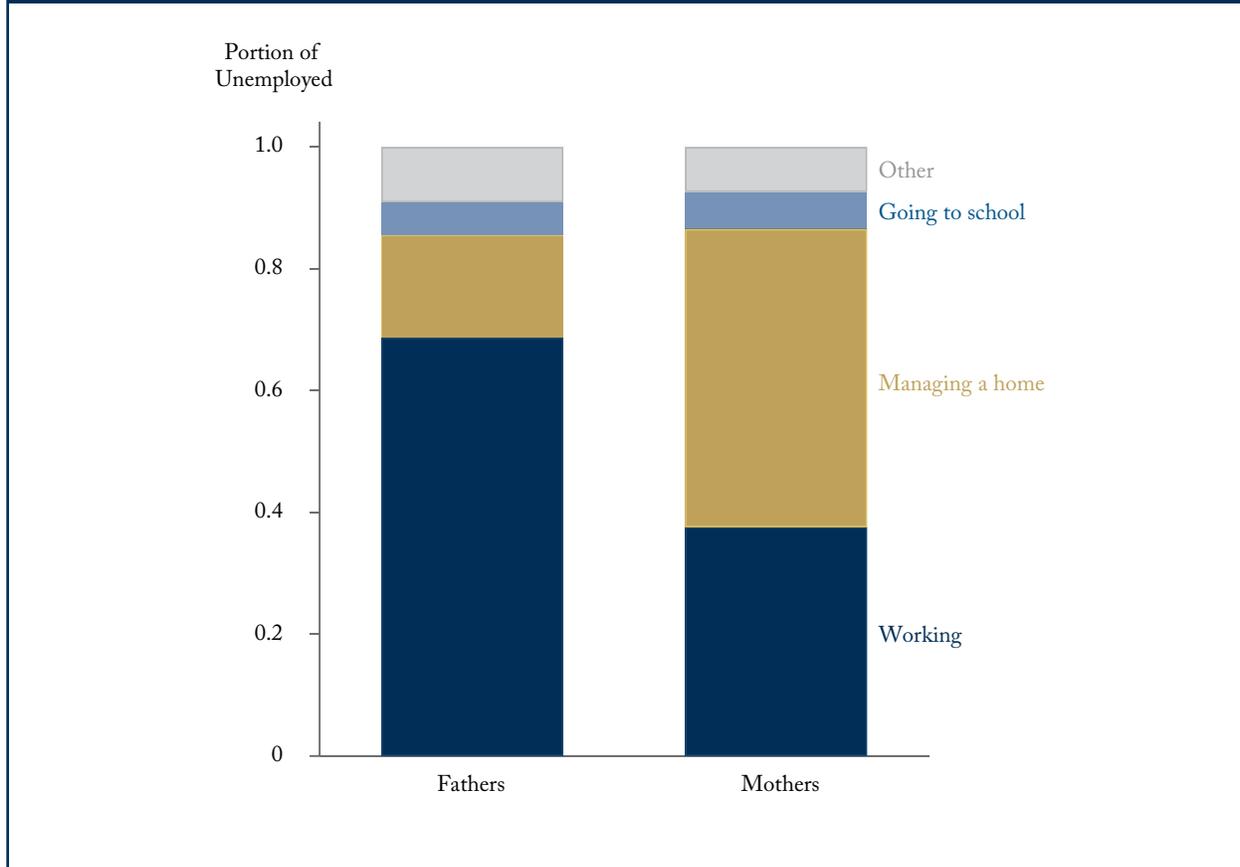
Note: The sample is restricted to married parents aged 25 to 59; “future starts” refers to individuals considered unemployed while they were waiting for a job to start.

Source: Authors’ calculations using the Labour Force Survey public use microdata files.

Similarly, when the unemployed (in 2019) were asked about their main activity before they started looking for work, the responses of mothers and fathers were clearly different. As Figure 2 shows, mothers moving into the unemployment category (i.e., began looking for work) were much more likely to have previously been “managing a home” as non-participants in the labour force (53 percent), while fathers moving into unemployment were more likely to have been working (67 percent) beforehand, having remained continuously in the labour force.

When characterizing the challenge of being unemployed, we know that longer unemployment spells are associated with lower chances of success in finding work – known as negative duration dependence; see Schirle and Skuterud (2020). Unemployed mothers who were managing a home generally had been away from work the longest (Figure 3), with a median jobless duration in 2019 of 28 months – more than double the median jobless

Figure 2: Main Activity of Fathers and Mothers Prior to Job Search, Canada, 2019



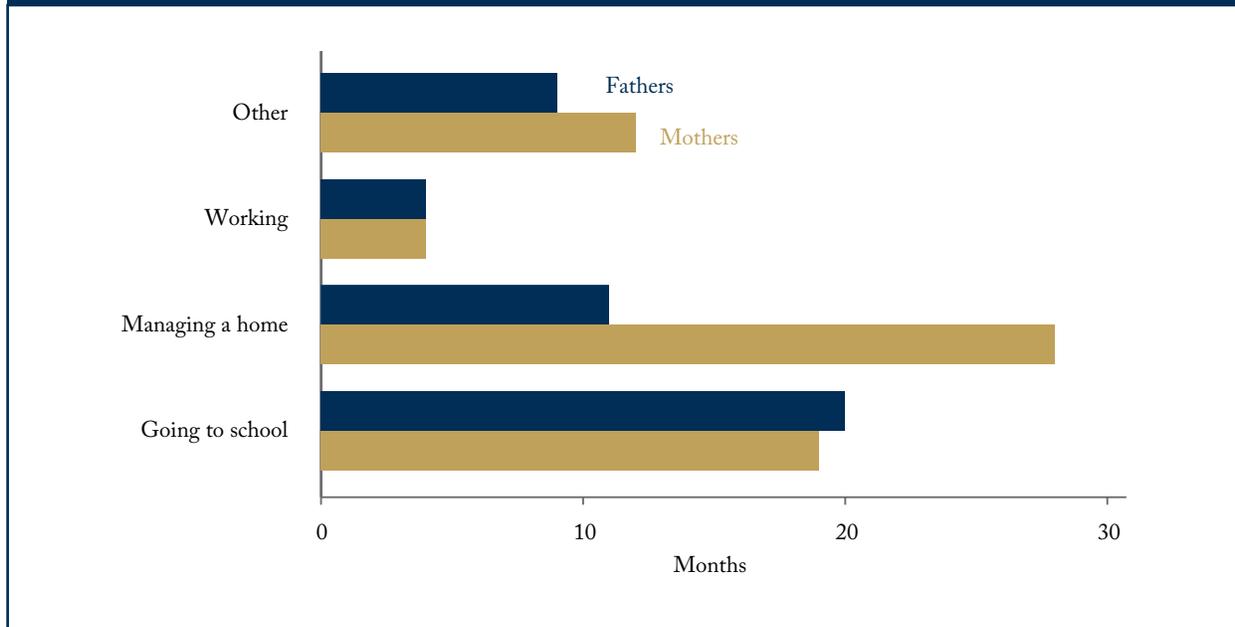
Note: We restricted the sample to married unemployed parents aged 25-59 in 2019.  
 Source: Authors' calculations using the Labour Force Survey public use microdata files.

duration of home-managing fathers.<sup>2</sup> In contrast, the jobless durations of mothers and fathers for whom working was their prior activity were nearly identical, with a median value of four months.

At this point, it is worth stressing that unemployed parents who are labour market re-entrants, especially those with long absence from the workforce after working as home managers, are not typically going to be supported in their job search by existing EI programs. Many would not be eligible for regular EI benefits as they had not paid premiums or contributed to the program in the previous year. (That said, some of these unemployed parents re-entering the labour market might be eligible for other supports, such as those provided under Part II of the *Employment Insurance Act*.)

2 In the LFS PUMFs, the distribution of jobless duration is skewed and durations are top coded (capped) at 240 months. Overall, home-managing fathers are significantly less likely to experience the longer durations more often experienced by home-managing mothers.

**Figure 3: Duration of Joblessness Among Unemployed Parents by Activity Prior to Job Search, 2019**



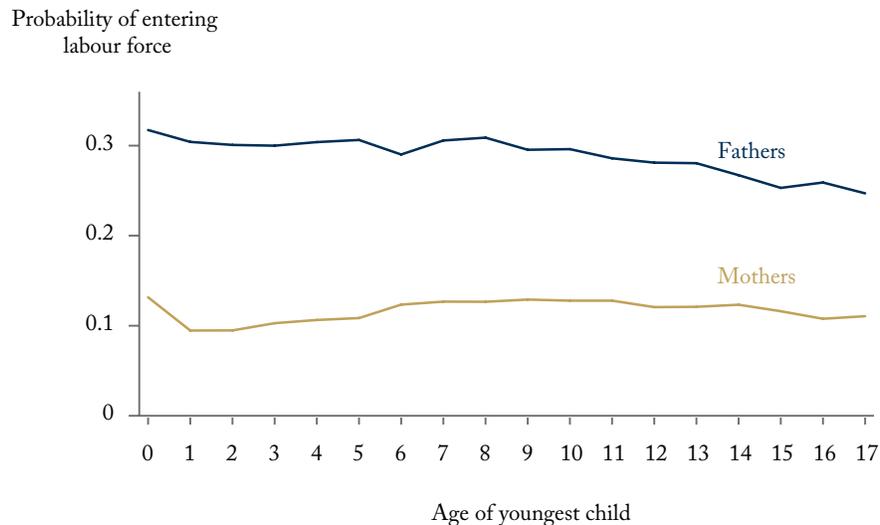
Notes: Duration of joblessness represents median number of months out of work (time since one last worked) and includes both unemployment and non-participation spells. We restricted the sample to married unemployed parents aged 25-59 in 2019. Source: Authors' calculations using the Labour Force Survey PUMFs.

We now turn our attention to the sizable group of parents who were not in the labour force in 2019. In Figure 4, we can see that the likelihood of non-participating fathers entering the labour force each month was substantially higher than that of mothers. For example, when the youngest child is age two, the probability of a non-participating father entering the labour force from one month to the next was 0.3 (or 30 percent). For mothers whose youngest child is age two, the chance of entering the labour force was 0.09 (or just over 9 percent).

What we can also see in Figure 4, however, is that the chance of a parent's entering the labour force changes as children age. Fathers who are not in the labour force appear more likely to join it when their children are younger. For mothers, we see a relatively high chance of joining the labour force when their youngest child is less than 1 year old. After that, their chances of joining are lower, reaching a nadir when the child is twelve months. Then they slowly rise again until the child is age seven.

The rates in Figure 4 should be viewed cautiously, however. While these transition rates capture in part the extent to which children might impede a parent's efforts to enter the labour force, they also might capture other characteristics of non-participating parents that change as children get older. For example, a parent who is not participating in the labour force when the youngest child is age 17 is probably relatively older themselves, with different reasons for not participating (such as early retirement) when compared to a younger parent who is not participating when the youngest child is only 2 years old. We know that the youngest children among non-participating fathers are more likely to be older than the youngest children among non-participating mothers,

**Figure 4: Transition Rates from Non-Participation to Participation in the Labour Force by Age of the Youngest Child**



Notes: The sample is restricted to parents aged 25 to 59 over the period 1980 to 2019. Estimates show the average rate of labour force entry, which is the probability of participating in the labour force in the following month when a person is observed not participating in the current month. Due to Statistics Canada's Research Data Centres' confidentiality requirements for releasing estimates, we are unable to break down the time period further for raw transition rates.

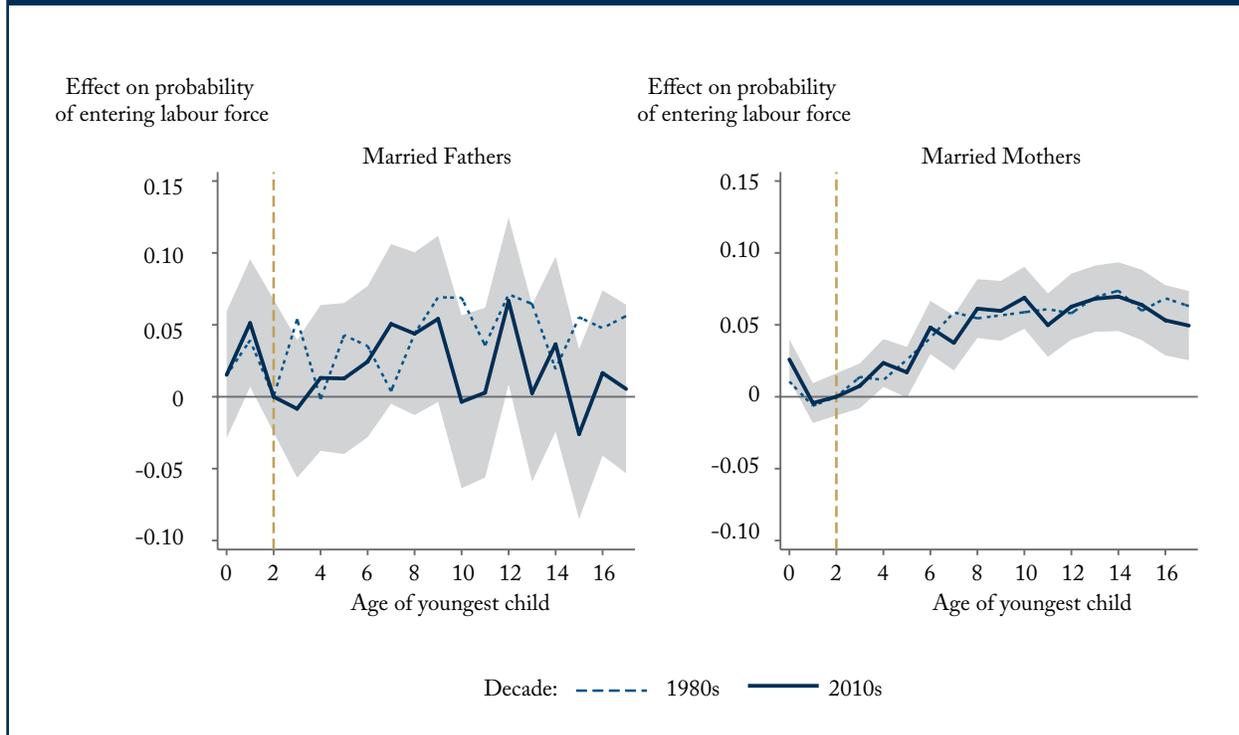
Source: Authors' calculations using Statistics Canada Labour Force Survey master files.

and so we might expect non-participating fathers to have fewer career interruptions and better options for early retirement than mothers (as caregivers of children). With this in mind, we now turn to estimating the likelihood of parents entering the labour force as it relates to a child's age.

Factors that potentially influence the decision to enter the labour force (and that can be measured consistently over time using the LFS sample) include a parent's education level and age, the spouse's education, the province of residence, and the year and month of decision-making (which will roughly capture business cycle fluctuations and seasonality). To account for these factors, we used a linear probability model to estimate the likelihood of entering the labour force within each decade, which depends on the age of a mother's or father's youngest child and each of these factors as covariates. The probabilities, presented in Figure 5, show how parents with children are more or less likely to enter the labour force compared to parents whose youngest child is age two.<sup>3</sup>

3 In our regression framework for estimating the effect of children at each age, we needed to choose a base group for comparison, and normally would use age zero for the youngest child's age. However, we considered how the job protection tied to EI maternity and parental benefits has changed over time and influences whether a new parent is considered employed and on leave or not in the labour force. This would make any interpretation of our results compared to age zero less clear. As such, we chose age two as the base group when presenting results – the age at which women's likelihood of entering the labour force appeared lowest.

Figure 5: Effect of Having Young Kids on Entering the Labour Force



Notes: We restricted the sample to married parents aged 25-59 with kids under age 18 in each decade indicated. Points represent the results of a linear probability model for labour force entry (transition); coefficients presented here represent how much more or less likely a parent is to join the labour force compared to a parent whose youngest is age 2. The model controls for parents' age, education, spouse's education, province, year, and month observed. The shaded area represents the coefficients' confidence interval for the 2010 estimates.

Source: Authors' calculations using the Labour Force Survey master files.

The left panel of Figure 5 represents the model results for the sample of fathers who are not in the labour force. Simply put, there is no clear relationship between the age of a father's youngest child and the father's likelihood of entering the labour force each month.<sup>4</sup> In contrast, there is a clear relationship between the age of a youngest child and a mother's likelihood of moving into the labour force, which largely mimics the pattern described in Figure 4. In Figure 5, the estimates illustrate that, relative to having a two-year-old, a mother's probability of entering the labour force increases with the age of the youngest child up to around age seven, and remains fairly stable afterwards. Women with children ages seven or older are, on average, over six percentage points more likely to transition into the labour force than women whose youngest child is age two.

<sup>4</sup> Only a handful of estimates from the linear probability model are significantly different from zero, as the confidence interval for the estimates for the 2010s illustrates; there is no discernable pattern across children's ages.

Overall, the statistics presented thus far paint a simple and perhaps unsurprising picture: there is a large group of mothers and fathers available to work, but their experiences typically are very different. A large number of mothers re-enter the labour force after time away caring for their children and managing their households. The age of the youngest child is clearly important in determining their return to the workforce. In contrast, among fathers who have spent time away from the labour force, the age of the youngest child appears largely irrelevant to their labour market re-entry.

## Is There a Role for Public Policy?

Does public policy play a role here? We see the potential for policy to support the efforts of jobless parents in terms of (1) policies that address traditional gender roles; (2) policies that ensure that affordable childcare options are available; (3) policies that boost potential wages of parents; and (4) policies that offer skills training and other job search support to parents re-entering the paid labour market.

### *Personal preferences and traditional gender roles*

For parents who prefer to spend time managing their home and caring for their children, that preference is paramount in their decision regarding paid work. If this is the primary consideration for most parents, the gender difference in household management could reflect the average woman's relative enjoyment of such work. That would also imply that fathers by and large do not enjoy such caregiving and management responsibilities, which would influence their decision to enter the paid workforce. Unfortunately, these preferences are not easily measured to determine their relative importance in decision-making, and we are reluctant to suggest that such preferences are the most important factor to consider.

Moreover, these preferences as to how to spend time are not simply innate. We expect that social norms and traditions regarding the appropriate roles for mothers and fathers will shape preferences and expectations, and such norms are slow to change over time (see, for example, Alesina, Giuliano, and Nunn 2013). Social norms and traditions – often reinforced by the way institutions and policy are shaped – can act as a barrier, limiting opportunities and shaping decisions in the labour market. With this in mind, one area for policy involves efforts to address such social norms. A recent example is the inclusion of “daddy quotas” in parental leave provisions – parental leave time that can be used only by fathers or, more generally, by a second parent in Canada's case. Such provisions alter caregiving dynamics in a family (see, for example, Almqvist and Duvander 2014; Haas and Hwang 2008; Patnaik 2019), and might result in the sharing of caregiving responsibilities more evenly.

### *Affordable childcare options*

Financial considerations are key in decisions about whether to work for pay. In particular, the cost of high-quality early learning and childcare services will be weighed against the wages each parent could expect to earn in the workforce. This is especially important in the short run for families that face borrowing constraints and are unable to spread the cost of childcare services over a long period. When parents' wages are not high enough to reasonably cover the costs of childcare, parents might negotiate which of them will stay away from paid work to care for the children. More often than not, mothers take on this unpaid caregiving role. Caregivers wanting to re-enter the labour force would then need to gain the support of their family members and convince them of the attractiveness of moving into paid work – as family members face losing the valuable services of a household

manager (Lundberg and Pollak 1994, 1996). Outcomes will depend on the caregiver's negotiating power, which in part depends on the wages the caregiver can receive in the workforce, but also on the cost and quality of replacement services needed by family members.

We know that the affordability of early learning and childcare services influences caregivers' ability to join the labour force (see Baker and Milligan 2008; Fortin, Godbout, and St-Cerny 2012; Stalker and Ornstein 2013). We also know that when jobless parents who want to work but are out of the labour force are asked about their reason for not searching, there are important differences between mothers and fathers. When parents who are not participating in the labour force, but want to work, are asked why they did not search, 46 percent of mothers (in 2019) reported they were caring for children.<sup>5</sup> Only 11 percent of non-participating fathers who wanted work reported the same reason, with their own illness or disability the most common reason for not searching.

Recently, the federal government reached agreements with every province and territory in an effort to build a Canada-wide early learning and childcare system. The goals of this system include reducing licensed childcare fees to an average of \$10 per day by 2026. Such an initiative is intended to relax the financial constraints that appear to prevent many mothers from joining the labour force when children are young. Provinces interested in offering income-tested childcare subsidies will be able to define those subsidies in terms of the lowest-earning-parent's individual earnings, recognizing that each individual caregiver's wages, not just the family's total income, is relevant for negotiating the way back into the labour force.

### *Boosting potential wages and closing the gender gap*

Since women's wages are on average lower than men's (Schirle and Sogaolu 2020), it follows that mothers typically are the ones who take on the caregiver role when needed. In that context, policies that narrow the gender wage gap – especially those that raise wages relative to childcare costs – should lead to more women entering the labour force.

This is a challenging area for policy. As Schirle and Sogaolu (2020) point out, current pay equity legislation is limited in scope and is not designed to address wage differences resulting from the segregation of men and women across occupations and industries – a key contributor to the wage gap. “Equal pay label” initiatives, which verify that organizations have policies and practices in place to ensure men and women are paid fairly – might have modest success, but they face many of the same limitations as pay equity policy (see Fortin 2019). Schirle and Sogaolu point to the importance of family-friendly policies (such as childcare and job protection for parental leaves) in shaping career planning of mothers-to-be and their later career wages. As evidence points to smaller early career (pre-parenting) wage gaps between men and women (see Boudarbat and Connolly 2013), policy that supports opportunities for both parents to build careers could result in fewer jobless parents in the long run.

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5 Authors' tabulations using the Labour Force Survey.

### *Skills training and job search support*

One area of policy that seems worthy of more attention involves opportunities for training or upskilling/reskilling and job search supports for parents re-entering the labour market after spending time away as caregivers. As Jansen et al. (2019) point out, the effectiveness of such active labour market policy varies across participants. Their review of program evaluations suggests various interventions for skills development and job search that could improve employment or earnings outcomes. They also point, however, to the complexity of the policy landscape in Canada, which might create confusion for users.

With parents in mind, financial support to cover the costs of search (including services such as transportation and childcare) could be considered. Training programs will be important for parents whose skills have depreciated after spending an extended time away from the labour market. Opportunities for training and upskilling/reskilling with flexible schedules might be most useful to parents with caregiving responsibilities. In the development of any programs, it is important to consider whether programs should be broadly available or target those with lower incomes or members of underrepresented groups in the labour force. In this regard, policy should be mindful of mothers' or fathers' re-entry negotiations with their families. If the goal is to support the efforts of parents to enter the labour force, targeting only those with low total household income might leave some parents – especially mothers – without the support they need.

Overall, policymakers have many avenues to pursue in improving the options for mothers and fathers who wish to re-enter the labour market. Moreover, several opportunities to enhance programs and structures are currently in place, from financial supports to job training.

## Conclusion

In this study we have considered the experience and outcomes of thousands of married parents wanting to find paid work in the Canadian labour market. Many fathers search for work following job loss with the help of existing employment insurance programs. Many mothers searching for paid work, however, will not find support from EI as they are often re-entering the labour force after time away caring for children and managing their households. Unlike fathers, the presence of young children appears to be an important factor impeding mothers' search for employment.

In the interests of long-term economic growth and productivity, there is value in minimizing barriers to entering the labour market. With this in mind, we see a role for policy that supports the job search efforts of all parents, and recognizes that the challenges facing married mothers and fathers are often different. Current policy initiatives, such as shared parental leave provisions and expansions of affordable early learning and childcare services, are effective ways to support parents who want to make their way back to paid work. Policies that improve mothers' potential earnings can also be effective for bringing more mothers into the labour market. For example, policies can work to reduce gender pay gaps or offer training for better-paying jobs. Finally, policies that offer financial support to cover the costs of job search (such as childcare and transportation) would ensure parents have the resources they need to find their way back to the paid labour market.

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