Intelligence MEMOS



From: Tammy Schirle and Mikal Skuterud

To: Canadians Concerned about the Labour Market

Date: July 15, 2020

Re: THE MOMS ARE NOT ALL RIGHT

Last week's release of the June Labour Force Survey gave Canadians reason for optimism – the numbers made it clear that many workers are finding their way back to work.

It is now evident that April 2020 represented the low point of this crisis for the labour market, as more than 5.5 million workers were affected by the COVID-19 shutdowns. By mid-June, about 2.4 million workers made it back to work at regular hours. When we look at total hours worked, Canadians had recovered 40 percent of the April loss in work hours.

But not everyone is finding their way back.

The June numbers also made clear that the recovery in women's hours of work is lagging those of men. Women's aggregate hours had dropped only slightly more than men's between February and April. But by mid-June, women's hours had recovered by 37.5 percent, while men's hours had recovered by 44.3 percent.

Why the gendered difference in recovery? Part of the reason is that occupations dominated by men, especially in construction and manufacturing, are among those seeing the biggest recovery in work hours. Many occupations dominated by women, in particular face-to-face service occupations, have seen fewer jobs come back.

But we are particularly concerned with the lack of recovery among moms with younger children, whether living with a spouse or alone. Moms whose youngest child was aged 6-12 had recovered only 36 percent of their lost work hours by mid-June, while moms with children aged 18-24 at home had recovered 78 percent of their hours. The challenge is especially acute for lone-parent mothers whose hours had recovered only 23 percent by June.

Parents are facing important constraints on their labour market activity right now. Kids always need to be educated and cared for, both physically and mentally, and COVID-19 shutdowns have made that particularly challenging. Childcare centres, summer camp opportunities, and other activities for kids under age 12 have been extremely limited by measures taken to mitigate virus outbreaks.

As parents look ahead to September, with concerns that kids won't return to school full time, the longer-term prospects for returning to work are bleak, reducing the payoff to any job hunting this summer.

We wish to emphasize that this caregiving constraint is affecting moms much more than dads. Among dads, the weakest recovery is also for those with children aged 6-12 at home, but their recovery has been much greater than for moms – having recovered 62 percent of their lost hours in April.

Why are moms bearing the brunt? In deciding which parent will stay home with children, even the most egalitarian parents will weigh the options: in families where both parents work, it's likely that dad's job re-started first and that it <u>pays a higher wage</u>. Social norms and the traditional caregiving roles of women have contributed to the pre-existing gender gaps in pay. But those social norms also nudge moms, rather than dads, to take on those caregiving roles now.

We are only six weeks away from the end of summer. To get childcare and schools ready, huge investments are needed now: in classroom space, staff, teachers, and PPE. While concerns for education are often delegated to those focused on offering high quality education and care, it's been made clear that there is more at stake here. We risk losing a large part of Canadian economic activity – and our tax base – if the barriers to all parents' full participation are not removed.

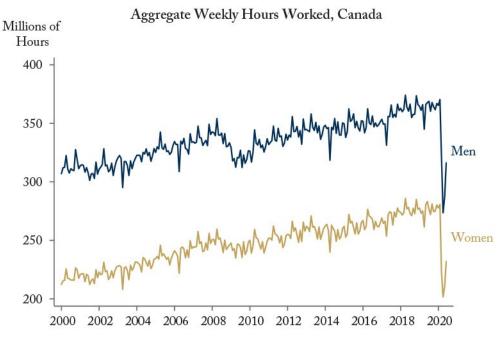
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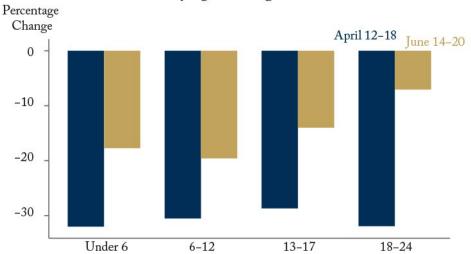




Note: Actual weekly hours worked on all jobs. Seasonally adjusted by removing month fixed effects.

Source: Labour Force Survey, Statistics Canada, Table 14-10-0032-01.

COVID-19 Impact on Aggregate Hours Worked Mothers by Age of Youngest Child at Home



*Hours are actual weekly hours on all jobs. Values are difference relative to February 2020 minus equivalent month-to-month change in 2018.

Source: Labour Force Survey (PUMFs). Produced by @mikalskuterud.