

# *Summative Evaluation of EI Parental Benefits*

**Final Report**

*Program Evaluation  
Strategic Policy and Planning  
Human Resources and Skills Development Canada*

*January 2005*

**SP-AH-674-01-05E  
(également disponible en français)**

Paper

ISBN: 0-662-40285-5

Cat. No.: HS28-25/2005E

PDF

ISBN: 0-662-40286-3

Cat. No.: HS28-25/2005E - PDF

HTML

ISBN: 0-662-40287-1

Cat. No.: HS28-25/2005E - HTML

# *Table of Contents*

<b>Executive Summary .....</b>	<b>i</b>
<b>Management Response .....</b>	<b>ix</b>
<b>1. Introduction.....</b>	<b>1</b>
<b>2. Overview of the Benefits.....</b>	<b>3</b>
2.1 Main Features.....	3
2.2 Enhancements to Parental Benefits.....	4
2.3 Objectives .....	6
2.3.1 Promoting Child Development .....	6
2.3.2 Balancing Demands of Work and Very Young Children .....	6
2.3.3 Making Short-Term Investment for Long-Term Economic Gain.....	6
2.3.4 Using EI as an Effective Instrument .....	7
2.3.5 Promoting Gender Equality .....	7
2.3.6 Allowing Businesses to Retain Valuable, Experienced Employees .....	7
2.4 Context: A Changing Family Policy and Program Environment .....	7
<b>3. Evaluation Issues and Approach .....</b>	<b>9</b>
3.1 Evaluation Issues .....	9
3.2 Evaluation Methods .....	10
3.2.1 Expert Panel .....	10
3.2.2 Document and Literature Review .....	10
3.2.3 Program Administrative Data .....	10
3.2.4 Surveys of Participants .....	11
3.2.5 Data from the Survey of Labour and Income Dynamics .....	12
3.2.6 Survey of Employers.....	13
3.2.7 Strengths and Limitations .....	14
<b>4. Program Participants .....</b>	<b>17</b>
4.1 Eligibility for Benefits .....	17
4.2 Participation Among the Eligible.....	21
4.2.1 Comparing Participants and Eligible Non-participants .....	21
4.2.2 Factors Contributing to Participation.....	26
4.3 Comparing Participants Before and After the Program Enhancements.....	28
4.3.1 Characteristics at the Time of the Survey .....	28

4.3.2	Labour Market Profile.....	28
4.4	Use of Sickness Benefits.....	29
4.5	Receipt of Family Supplement.....	30
<b>5.</b>	<b>Impacts on Recipients.....</b>	<b>31</b>
5.1	Duration of Leave .....	31
5.1.1	Definition of Leave .....	31
5.1.2	Analysis.....	33
5.1.3	Paid Leave.....	33
5.1.4	Unpaid Leave .....	36
5.1.5	Unpaid Leave after Benefits .....	39
5.1.6	Total Leave .....	41
5.2	Financial Situation of the Family.....	44
5.2.1	Amounts of Benefits Received While on Leave.....	45
5.2.2	Ratio of Benefits to Family Income.....	45
5.2.3	Paid Employment While on Leave .....	46
5.2.4	Work-Related Activities or Training While on Leave.....	47
5.2.5	Coping with Lost Wages or Salary .....	48
5.2.6	Receipt of Sickness Benefits.....	49
5.3	Returning to Work .....	50
5.3.1	Same or Different Employer.....	51
5.3.2	Full-Time or Part-Time Work.....	52
5.3.3	Hours Worked Per Week .....	53
5.3.4	Wage Per Week.....	54
5.3.5	Change from Pre-Leave Wage.....	54
5.3.6	Stress after Returning to Work .....	55
5.4	Client Views on Program Changes .....	56
<b>6.</b>	<b>Impacts on Families and Children .....</b>	<b>59</b>
6.1	Maternal and Child Health and Family Well Being .....	60
6.1.1	Maternal Health at and after Birth .....	60
6.1.2	Children’s Health after Birth and at the Time of the Survey .....	61
6.1.3	Breastfeeding and Its Duration .....	62
6.1.4	Mothers’ Views of the Effects of Their Leave on Maternal and Child Health.....	64
6.2	Parents’ Activities and Experiences While on Leave.....	66
6.2.1	Parental Stress While On Leave .....	66
6.2.2	Widening Social Networks and Participating in Community Programs .	67
6.2.3	Selecting a Child Care Arrangement .....	69
6.3	Parents’ Overall Satisfaction.....	70
6.4	Preparedness to Return to Work after Leave .....	72

6.5	Impacts on Parenting.....	72
6.6	Sharing Leave and Benefits .....	76
6.6.1	Sharing Time Together – Overall Trends .....	76
6.6.2	Time Off Work by Self-Employed Spouses or Partners.....	77
6.6.3	Time at Home for Other Reasons .....	77
6.6.4	Time Off Work by Employed Spouses or Partners .....	78
6.6.5	Differences in How Leave is Taken by Spouses or Partners.....	80
6.6.6	Sharing Benefits.....	81
6.6.7	Regional Differences in Leave-Taking and Benefit-Sharing.....	82
<b>7.</b>	<b>Impacts on Employers .....</b>	<b>85</b>
7.1	Respondents’ Experience with Parental Benefits .....	85
7.2	Employer Views on Changes.....	89
7.2.1	Views on the Program Changes.....	89
7.2.2	Impact of Program Experience on Employer Views .....	89
<b>8.</b>	<b>Program Design.....</b>	<b>91</b>
8.1	Links Between Program Design and Program Objectives.....	91
8.1.1	Promoting Child Development .....	91
8.1.2	Aligning Parental and Labour Market Roles .....	92
8.1.3	Promoting High Take-up .....	92
8.2	Alternative Approaches .....	93
<b>9.</b>	<b>Key Findings.....</b>	<b>95</b>
<b>10.</b>	<b>Bibliography .....</b>	<b>99</b>
	<b>Appendix A – Method Used to Identify Receipt of Benefits in SLID Data .....</b>	<b>101</b>



# *List of Exhibits*

Exhibit 1	Comparison of Program Features Before and After the Changes Effective December 31, 2000 .....	5
Exhibit 2	Entitlement to and Receipt of Maternity or Parental Benefits .....	11
Exhibit 3	Pregnancy or Parental ROEs, by Week Last Worked .....	18
Exhibit 4	Pregnancy or Parental ROEs, by Week Last Worked, with Fewer than 600 Insured Hours of Work .....	19
Exhibit 5	Pregnancy or Parental ROEs, by Week Last Worked, with 600 to 699 Insured Hours of Work.....	20
Exhibit 6	Pregnancy or Parental ROEs, by Week Last Worked, with 700 or More Insured Hours of Work.....	20
Exhibit 7	Participation Among the Eligible, by Gender .....	22
Exhibit 8	Participation Among the Eligible, by Marital Status .....	22
Exhibit 9	Participation among the Eligible, by Age .....	23
Exhibit 10	Participation Among the Eligible, by Province.....	23
Exhibit 11	Participation Among the Eligible, by Number of Children.....	24
Exhibit 12	Participation Among the Eligible, by Household Income.....	24
Exhibit 13	Participation Among the Eligible, by Job Duration .....	25
Exhibit 14	Participation Among the Eligible, by Occupation.....	26
Exhibit 15	Participation Among the Eligible, by Level of Education .....	26
Exhibit 16	Average Weekly Sickness Benefits, Among Recipients.....	29
Exhibit 17	Length of Paid Leave, by Program.....	34
Exhibit 18	Survival Functions for Length of Paid Leave, All Participants, by Program .....	35
Exhibit 19	Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program .....	35
Exhibit 20	Length of Unpaid Leave, by Program.....	37
Exhibit 21	Survival Functions for Length of Unpaid Leave, All Participants, by Program .....	37
Exhibit 22	Survival Functions for Length of Unpaid Leave, Low-Income Claimants, by Program .....	38
Exhibit 23	Length of Unpaid Leave after Parental Benefits, by Program .....	39
Exhibit 24	Survival Functions for Unpaid Leave after Parental Benefits, All Participants by Program .....	40

Exhibit 25	Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program .....	40
Exhibit 26	Length of Total Leave (Censored at Survey Date), by Program .....	41
Exhibit 27	Survival Functions for Length of Total Leave, All Participants by Program .....	42
Exhibit 28	Survival Functions for Length of Total Leave, Low-Income Claimants by Program .....	43
Exhibit 29	Average Weekly Benefits Received, by Program .....	45
Exhibit 30	Ratio of Parental Benefits to Family Income, by Program .....	46
Exhibit 31	Career-Related Activities While On Leave, by Program and Sample Group .....	48
Exhibit 32	Approaches to Coping with Decreased Income, by Program and Sample Group .....	49
Exhibit 33	Percentage of Participants Who Had Returned to Work by Week.....	51
Exhibit 34	Percentage Who Returned to the Same Employer by Week .....	52
Exhibit 35	Percentage Who Returned to Work Full Time by Week.....	53
Exhibit 36	Hours Worked per Week, by Program .....	53
Exhibit 37	Wage Earned per Week, by Program .....	54
Exhibit 38	Change in Weekly Wage from Pre-Leave Job, by Program .....	55
Exhibit 39	Level of Stress on Returning to Work, by Program .....	56
Exhibit 40	Strengths of the Program .....	56
Exhibit 41	Weaknesses of the Program .....	57
Exhibit 42	Suggestions for Improvements.....	57
Exhibit 43	Parents' Ratings of Their Children's Health after Birth and When Interviewed, by Program.....	62
Exhibit 44	Breastfeeding Patterns, by Program .....	63
Exhibit 45	Breastfeeding Duration by Length of Leave Taken, by Program .....	63
Exhibit 46	Mothers' Views of the Effects of Their Leave on Maternal and Child Health, by Program .....	65
Exhibit 47	Maternal Physical and Mental Health as Factors Affecting Mothers' Evaluation of Whether Leave Allowed Sufficient Time to Recover After Baby's Birth, by Program.....	65
Exhibit 48	Ratings of Stress Experienced While on Leave and Receiving Benefits, by Program .....	66
Exhibit 49	Sources of Parental Stress While on Leave, by Program and Sample Group .....	67



Exhibit 50	Networking and Participation in Community Programs While on Leave by Mothers, by Program .....	68
Exhibit 51	Mothers' Participation in Community Programs, by Length of Leave Taken and Program .....	68
Exhibit 52	Success in Making Child Care Arrangements While on Leave by Program and Sample Group .....	69
Exhibit 53	Difficulties Finding Child Care, by Program .....	70
Exhibit 54	Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program .....	71
Exhibit 55	Satisfaction with Period of Leave, by Program and Sample Group.....	71
Exhibit 56	Preparedness for Return to Work as a Result of Leave, by Program and Sample Group .....	72
Exhibit 57	Frequency of Positive Parent-Child Interactions among Parents and their Children, by Program .....	73
Exhibit 58	Average Scale Scores on Positive Parent-Child Interactions, by Program and Sample Group .....	73
Exhibit 59	Composite Scores on Statements Indicative of Parenting Confidence and Stress, by Program and Sample Group .....	75
Exhibit 60	Frequency of Agreement with Statements Reflecting Parenting Confidence and Stress, by Program and Sample Group .....	75
Exhibit 61	Proportion of Employed Spouses or Partners Who Took Time Off Work and Length of Leave Taken, by Gender and Program.....	79
Exhibit 62	Proportion of Employed Spouses/Partners of Female Respondents Who Took Time Off Work and Length of Leave Taken, for a Birth, by Program.....	80
Exhibit 63	How Leave is Taken by Spouses/Partners, by Sex of Respondent and Program .....	81
Exhibit 64	Dual-Earner Couples Who Shared Parental Benefits, by Sex of Respondent and Program Group .....	81
Exhibit 65	Spouses or Partners Who Took Time Off Around the Birth or Adoption, and Length of Leave, by Region and Program .....	83
Exhibit 66	Proportion of Spouses or Partners Who Took Parental Leave, and Shared Parental Benefits, by Program and Region.....	84
Exhibit 67	Impacts on Employers (% of Private Sector Respondents)* .....	87
Exhibit 68	Employer Responses to Workers Being on Leave .....	88
Exhibit A-1	Identification of Leave-Takers in SLID .....	101



# *Executive Summary*

This is a report on an evaluation study of recent legislation extending and enhancing the provisions of the Parental Benefits Program. The focus is on the effects of the change, relative to the previous EI parental benefits. The Parental Benefits Program is a core component of the National Children’s Agenda. Canadian experience with policies to assist families with newborn or adopted children began with maternity leave benefits under the *Unemployment Insurance Act* of 1971. The *Employment Insurance (EI) Act* currently provides both maternity and parental benefits, thus allowing parents to spend more time with their infant children. The right of participants to return to work following their leave is protected by both federal and provincial employment standards legislation.

## **Changes to the Parental Benefit**

The current legislation, which went into effect on December 31, 2000, is designed to:

- Promote child development;
- Balance demands of work and very young children;
- Make short-term investment for long-term economic gain;
- Use EI as an effective instrument;
- Promote gender equality; and
- Allow businesses to retain valuable, experienced employees.

The provisions of the new benefit structure relative to those of the old are summarized in the following table.

<b>Feature</b>	<b>Old Program</b>	<b>New Program</b>
Length of parental leave	10 weeks	35 weeks
Length of maternity leave	15 weeks	15 weeks
Maximum length of leave <sup>1</sup>	30 weeks	50 weeks
Insured hours of work <sup>2</sup> to be eligible	700	600
Sharing of benefits	Yes, to 15 week total	Yes, to 35 week total
Two-week waiting period	Each parent	Only one parent
Earnings allowed	None	Greater of \$50 or 25% of benefit (parental claim only)
Notes:		
1. Combined weeks of maternity, parental, and sickness benefits. The maximum length of special benefits has been extended to 65 weeks (Bill C-49, March 3, 2002).		
2. In the last 52 weeks or since the start of the last claim, whichever is shorter.		

There remain provincial and territorial variations in employment standards legislation, in particular with regard to whether the prior work must all be with one employer or not, and the length of job protection. The benefit value remains the same, replacing 55 percent of prior earnings up to the maximum insurable earnings. The benefits may be supplemented by the Family Supplement for low-income families, so as to replace up to 80 percent of prior insurable earnings.

## Evaluation Approach and Data

The evaluation used the following methods and data:

- **An expert panel:** Experts provided input and advised on the analysis plan.
- **Document and literature review:** Over thirty recent studies/sources were examined to help develop the analysis plan and interpret the findings.
- **Program administrative data:** Data from the EI Records of Employment (ROE) and Status Vector data files were used as a sample frame for participant surveys and to help examine changes in the length of leave and types of claims.
- **Survey of participants in the enhanced program:** A baseline survey was conducted between January 3 and February 4, 2002 which yielded 7,212 completed interviews of participants with a birth or adoption during the first six months of 2001. A follow-up survey was conducted between September 3 and December 1, 2003 (yielding 3,973 completed interviews) to obtain information on experiences and views after the leaves ended. The response rates were 72 percent for the baseline survey and 57 percent for the follow-up survey. A weighting scheme was used to adjust the representation for variations in the rates of response.
- **Survey of participants in the pre-2001 program:** To enable comparisons of before and after the program changes, a survey was conducted of participants in the pre-2001 program with a birth or adoption in the first six months of 2000. This survey was conducted between November 27, 2001 and March 14, 2002, and yielded 3,343 completed interviews. The response rate was 43 percent. A weighting scheme was used to adjust the representation for variations in the rates of response.
- **Data from the Survey of Labour and Income Dynamics:** These data were used to help correct for the potential bias in the ROE data arising from the omission of those who did not formally separate from their jobs. These data were also used to help examine the factors affecting program participation.
- **Survey of Employers:** A survey of employers was undertaken to obtain direct information on employers' views and experiences regarding parental benefits. A random sample of 652 small, medium and large employers was drawn from the business list of Dunn and Bradstreet Marketing Services. The survey was conducted between February 5 and March 12, 2002.

The main strengths of the evaluation approach include the following:

- The participant surveys provided a rich source of data and supported the use of statistical estimation analysis to examine program impacts while controlling for other factors that could be contributing to an observed pattern or result.
- Particular emphasis was placed on the use of multiple methods and/or multiple (probing) survey questions to explore/corroborate key findings.
- The samples for the participant surveys are only one year apart allowing for an analysis of the policy change with control factors likely remaining constant.

At the same time, the following limitations should be noted:

- The evaluation was done at a time when the program was changing.
- Not all respondents had finished their leaves and returned to work at the time of the surveys (90 percent of the pre-2001 program group had returned to work, 85 percent of the enhanced program group had returned to work). Where possible, however, statistical estimation techniques were used to help correct/adjust for incomplete information in the case of unfinished leaves.
- The results for adopting parents should be interpreted with considerable caution because their sample size was small: 1.3 percent of the pre-2001 participant group and 3.2 percent of the enhanced program participant group.

## Evaluation Findings

Highlights of the findings for each of the issues examined by the evaluation are summarized below.

### ***Issue 1: What evidence exists that elements of the program or its design are likely to contribute to achieving its goals?***

The existing literature confirms that policies/programs that allow parents to spend more time with their infant children have positive effects on maternal and child health and early parenting. Examples of these benefits include less depression and anxiety among mothers, longer periods of breast feeding, and better parenting support for child development.

Analysis of data from the participant surveys indicated that the program changes have had significant impacts in a number of areas related to the objectives of the program, including the length of leave, benefit-sharing, and the quality of parent/child interactions. In addition, the analysis showed that the program changes increased eligibility, participation rates, and parents' overall satisfaction with their leave.

***Issue 2: What is the potential demand for the Parental Benefits program?***

This issue is examined in a separate technical report.<sup>1</sup>

Under low, medium and high growth scenarios for births, parental benefit claims and combined maternity and parental benefit claims are forecasted to increase as well as their ratio to birth, while maternity-only claims are forecasted to decline. This suggests that more mothers will be including a parental benefit component in their claim, rather than claiming just maternity benefits.

***Issue 3: Has extending the benefits encouraged workers to take parental leave or increased its duration, especially among low-income claimants?***

It was estimated that 11 percent of the observed rise in “pregnancy or parental” ROEs in the first 26 weeks after the introduction of the enhanced program was attributable to the reduction in the number of insured hours required to be eligible for benefits.

Under the enhanced program, the participation rate for those eligible for benefits increased to 48.8 percent (up from 44.4 percent under the pre-2001 program). This includes both eligible female and male workers. Participation rates also increased across a wide range of parents, including both men and women, all categories of marital status, all education groups, and those with incomes over \$25,000. The use of parental leave for adoption also increased.

The proportion of dual-earner couples that shared benefits more than doubled (increasing from 8 percent under the pre-2001 program, to 18.5 percent under the enhanced program). There are three common reasons for sharing benefits: belief that both parents should be involved in the child’s formative stage, financial, and the need to return to work at request of their employer.

In the case of all participants, the length of paid leave increased by 18 weeks and the total length of leave (i.e. weeks from the start of the EI benefit period to the date of returning to work) increased by 11.7 weeks under the enhanced program. In the case of low-income claimants, the length of paid leave increased by 16.6 weeks.

***Issue 4: To what extent do the benefits provide financial support for the family?***

The program changes did not significantly affect the amount of average weekly benefits received or its contribution to families’ income; even though the data indicated that a slightly smaller percentage of recipients received the EI Family Supplement under the enhanced program.

***Issue 5.1: What is the opportunity cost of parental leave?***

This issue is examined in a separate technical report.<sup>2</sup>

---

<sup>1</sup> Future Demand, and Private and Social Costs of EI Parental Benefits – Technical Report

<sup>2</sup> Future Demand, and Private and Social Costs of EI Parental Benefits – Technical Report

***Issue 5.2: Are participants better able to return to their previous jobs?***

Participants reported slightly lower levels of stress on returning to work under the enhanced program. On average, the program changes had no significant effect on whether participants returned to their previous employer. At the same time, however, participants who returned to a different job with their previous employer were much less likely to be placed in a job at a lower level than their previous job under the enhanced program.

***Issue 6.1: Do participants feel that the program is useful?***

Parents were more satisfied with their period of leave under the enhanced program. When asked to comment on the strengths and weaknesses of the enhanced program, strengths dominated the participants' replies and the responses strongly supported the underlying rationale for the program and the enhancements. The two main strengths reported were that the program allowed for more time to be with a child/children and improved the parent/child relationship.

When asked about weaknesses, 47 percent of the enhanced program group said that they would like the program to provide a higher benefit. At the same time, however, another 20 percent said that the enhanced program had no perceived weaknesses. When asked to suggest improvements, respondents generally indicated that they were not looking for major changes, except maybe a higher fraction of income.

***Issue 6.2: Does the program, through increased time at home, generate non-monetary benefits for parents?***

Mothers who experienced physical or mental health difficulties during the early months after the birth were more likely to feel that their leaves were sufficient for recovery from the birth before returning to work under the enhanced program.

Maternal stress levels were lower under the enhanced program. For example, birth mothers indicated a lower level of parenting stress and a higher level of parenting confidence under the enhanced program. Also, birth mothers were slightly less likely to seek help for depression, and were significantly less likely to seek assistance for anxiety and for personal or family problems.

***Issue 6.3: Does the program, through increased time at home, generate non-monetary benefits for children, both the newborn and others?***

Parents under the enhanced program rated their child's health higher during the first 6 months after birth and at the time of the survey, although parents in each program rated their child's health quite highly. Further analysis could be carried out when longer term data are available.

Birth mothers under the enhanced program were considerably more likely to say that the leave program allowed them time to establish regular feeding and sleeping schedules with their baby, and allowed time to relax with their baby without feeling rushed to return to work. The length of time mothers were breastfeeding their babies increased (from an average of 28.6 weeks under the pre-2001 program to 32.1 weeks under the enhanced

program, among mothers who indicated breastfeeding). Birth mothers also reported higher scores on the positive parenting scale indicating higher levels of positive and engaging parenting with their young child under the enhanced program.

***Issue 7: To what extent do participants work while receiving benefits?***

Participants in the enhanced program were more likely to work while on leave (9 percent of the enhanced program group said they had worked, up from 1.2 percent of participants in the pre-2001 program). However, the two most common methods of coping with lost wages or salary were limiting the purchase of extras and using savings that had been set aside for the birth/adoption of the child.

***Issue 8: What factors are likely to contribute to participation?***

The analysis of eligible participants and eligible non-participants under the enhanced program indicated that:

- Eligible men were less likely to participate than eligible women (85.6% of eligible women versus 22.9% of eligible men);
- Respondents who said they were separated were less likely (by 42 percent) to participate than those in the other marital status categories;
- The probability of participating declines by 12 percent with each child under age 5 in the family; and
- The probability of participating increases by 8 percent with each child age 5 to 17 in the family.

***Issue 9: What are the impacts on costs of the new Parental Benefits program compared with the previous program?***

The question was listed in the original terms of reference, and pertained to an assessment of cost-effectiveness. It was dropped at the methodology stage due to lack of required data on the costs of administering the program.

***Issue 10: How are employers affected by the enhanced Parental Benefits program?***

Most (65 to 77 percent) of the surveyed employers felt that the program changes had no impact on their profitability, growth, ability to attract new workers, and ability to retain employees. Employers in the private sector generally felt that the program changes had some slightly positive effects in the areas of employee morale. The benefit plan costs and the costs of hiring/training were viewed as slightly greater than in the old program. It should be emphasized that these employers viewed these effects as very small.

Views on the program changes were quite positive among the surveyed private sector employers and even more positive among those in the not-for-profit and public sectors. On average, smaller employers viewed the program changes less positively, with the strongest negative views being expressed by small employers with no direct experience with the enhanced program.



***Issue 11: What is the labour market profile of individuals who are eligible and those who are not eligible to claim benefits?***

Given the evaluation's focus on comparing participants before and after the program changes, the analysis presented in this report did not compare those who were eligible and those who were not eligible to claim benefits.

Regarding the labour market profile of participants, however, just under half (46 percent) of the enhanced program group had worked for the pre-leave employer for two years or less, while 14.5 percent had worked for the pre-leave employer for more than 5 years. About 25.7 percent were working in clerical or sales jobs, 25.7 percent were in professional occupations, 4.8 percent were in executive/manager positions, and the remaining 43.9 percent were in other occupations.

***Issue 12: Does the use of sickness benefits in the context of the maternity/parental/sickness benefit plan decline after December 31, 2000?***

Survey participants receiving sickness benefits declined from 7.9 percent under the pre-2001 program to 4.7 percent under the enhanced program. Statistical estimation analysis confirmed that over the whole duration period, the probability of receiving sickness benefits and the average sickness amount received were significantly lower under the enhanced program.<sup>3</sup>

***Issue 13: Are there more effective or cost-effective ways of helping parents?***

In international comparisons, Canada ranks fairly highly in terms of the length of paid leave available – especially since the program enhancements were enacted. A comparison with Nordic countries, however, suggests that it may be useful to consider ways to further increase flexibility.

---

<sup>3</sup> Since the completion of this evaluation, the maximum length of special benefits has been extended to 65 weeks (Bill C-49, March 3, 2002).



## *Management Response*

There were a number of policy objectives when parental benefits were extended to 35 weeks and the report does a good job of exploring how well actual results match original policy objectives. It is noteworthy that claimants are generally satisfied with the scope and duration of the expanded benefits and that the only significant areas where improvements are suggested are in the level of weekly benefits payable and, possibly, in expanding the scope of existing benefits further.



# *1. Introduction*

Parental benefits are delivered under the Employment Insurance (EI) program as part of EI maternity and parental benefits. The provision of these benefits is one of the ways that the Government of Canada helps parents balance work and family responsibilities to help ensure that children get the best possible start in life.

A number of enhancements were made to EI maternity and parental benefits, effective December 31, 2000. The changes affecting the parental benefit component included:

- Extending the maximum duration of parental benefits from 10 to 35 weeks;
- Reducing the entrance requirement from 700 hours of insurable employment to 600 hours;
- Allowing the parental benefit to be shared between the mother and the father without a second 2-week waiting period; and
- Allowing parents to earn up to 25 percent of their parental benefits per week without a reduction in their benefits.

An evaluation of the enhanced parental benefits was launched in March 2001. The main purpose was to assess the effects of parental benefits on individuals who receive these benefits under the enhanced program. The initial stages of the evaluation included considerable methodological development and the processing of a request to the Office of the Privacy Commissioner for linking data. This final report on the evaluation includes the following:

- An overview of parental benefits, the recent enhancements and the main objectives of these benefits;
- A discussion of the evaluation issues and approach;
- An analysis of program participation;
- The main findings regarding impacts on recipients;
- The main findings regarding impacts on families and children;
- The main findings regarding impacts on employers;
- A discussion of some issues of program design; and
- A summary of the key findings for each of the evaluation issues examined in this report.



## 2. Overview of the Benefits

This section highlights the main features of EI parental benefits, the changes introduced on December 31, 2000, and the main objectives of these benefits. This section also places parental benefits in a broader policy and program context.

### 2.1 Main Features

Canadian experience with policies to assist families with newborn or adopted children began with maternity benefits under the *Unemployment Insurance Act* of 1971. The *EI Act* currently provides maternity and parental benefits to allow parents to spend more time with their infant children. Returning to work is protected by both federal and provincial employment standards legislation.

Benefits provided under the *EI Act* include the following:

- **Maternity benefits** are payable to birth mothers or surrogate mothers up to a maximum of 15 weeks. The mother can collect maternity benefits from the 8th week preceding the expected date of confinement up to the 17th week following the week of confinement. The 17-week limit can be extended up to 52 weeks, however, if the baby is hospitalized (i.e. the mother would still receive benefits up to a maximum of 15 weeks, but the benefits can be delayed until the child comes home from the hospital). The maximum number of weeks of benefits remains at 15 weeks even if the mother gives birth to twins or more than twins.
- **Parental benefits** are payable to biological or adoptive parents while they are caring for a newborn or an adopted child, up to a maximum of 35 weeks. Parental benefits can be claimed by one parent or shared between the two partners, but cannot exceed a combined maximum of 35 weeks. These benefits are available within the 52 weeks following the child's birth, or within 52 weeks from the date an adopted child is placed with its adoptive parents, unless the child is hospitalized.
- **Sickness benefits** may be paid up to 15 weeks to a person who is unable to work because of sickness, injury or quarantine.

A combination of maternity, parental and sickness benefits can be received up to a combined maximum of 50 weeks. As of March 3, 2002, it is possible to receive a maximum of 65 weeks of combined sickness, maternity and parental benefits. This means that someone who receives sickness benefits in addition to maternity benefits can be allowed to receive their full duration of parental benefits and, therefore, have their total benefit period extended to 65 weeks. This extension to the regulations occurred after the data for this evaluation study had been collected, therefore the new legislation is not incorporated in this evaluation study.

The minimum period of employment required for eligibility for maternity and parental leave for biological and adoptive parents varies by province and territory. This requirement is independent of the requirements for eligibility for EI maternity and parental benefits. Provincial and territorial requirements also vary as to whether the employee must have worked for the *same* employer for a specific period of time. Other differences include the length of maternity and parental leave periods during which jobs will be protected, whether parental leave must be taken all at once, and whether benefits accrue while parents are on leave. Consequently, an individual might receive EI maternity or parental benefits, but he might not be eligible for maternity and parental leave and protected by the labour code of his province or territory. A summary of federal, provincial, and territorial employment standards was included in the *Methodology Report* prepared for this evaluation.

As in the case of regular EI benefits, there is a 2-week waiting period before maternity/parental/sickness benefits are paid. A notable exception is that only one 2-week waiting period needs to be served when parental benefits are being shared by both parents.

To be eligible for maternity, parental or sickness benefits, a person must have accumulated at least 600 insured hours of employment in the last 52 weeks, or since their last EI claim if that claim was within the last year.

Parents on maternity or parental benefits are able to receive 55 percent of their average insured earnings up to a maximum amount of \$413 per week. Low-income families (i.e. families with an income less than \$25,921) receiving the Canada Child Tax Benefit can qualify for the EI Family Supplement. With the Family Supplement, low-income families can receive up to 80 percent of their insurable earnings.

## 2.2 Enhancements to Parental Benefits

This evaluation is focused on examining the impact of the enhancements to parental benefits that came into effect with respect to births and adoptions on and after December 31, 2000. Therefore, it is useful to highlight the changes that were introduced at that time. As of December 31, 2000, EI maternity and parental benefits were enhanced to provide:<sup>4</sup>

- A longer maximum period of benefits, by:
  - Extending the maximum duration of parental benefits from 10 weeks to 35 weeks, where a parent is caring for either newborn or adopted children; and
  - Extending the maximum overall duration of leave (combined weeks of maternity, parental and sickness benefits) from 30 weeks to 50 weeks.

---

<sup>4</sup> The description of the policy rationale for the enhancements was provided by Insurance Services and Insurance Policy of *Human Resources and Skills Development Canada*. See also the news release entitled “More Parents Spend Critical First Year With Their Children in 2001: Enhanced Employment Insurance Maternity and Parental Benefits a Great Success”, *Human Resources and Skills Development Canada*.



- Improved access to maternity, parental and sickness benefits, by:
  - Reducing the entrance requirement for these special benefits from 700 hours of insured employment to 600 hours of insured employment.
- More flexibility, options and choices for parents, by:
  - Allowing the parental benefit to be shared between the mother and father without a second 2-week waiting period; and
  - Allowing parents to earn up to 25 percent of their parental benefits per week without a deduction from their EI benefits.

The enhancements are summarized in Exhibit 1 and are compared to the provisions of the pre-2001 benefits.

<b>Exhibit 1</b> <b>Comparison of Program Features Before and After the Changes</b> <b>Effective December 31, 2000</b>		
<b>Feature</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
Length of parental leave	10 weeks	35 weeks
Length of maternity leave	15 weeks	15 weeks
Maximum length of leave <sup>1</sup>	30 weeks	50 weeks
Insured hours of work <sup>2</sup> to be eligible	700	600
Sharing of benefits	Yes, to 15 week total	Yes, to 35 week total
2-week waiting period	Each parent	Only one parent
Earnings allowed	None	Greater of \$50 or 25 percent of weekly benefits only in the case of parental benefits.
Notes:		
1. Combined weeks of maternity, parental, and sickness benefits. The maximum length of special benefits has been extended to 65 weeks (Bill C-49, March 3, 2002).		
2. In the last 52 weeks or since the start of the last claim, whichever is shorter.		

The *Canada Labour Code* (covering workers in federal jurisdiction) was amended to make the parental leave provision correspond with the enhanced EI maternity and parental benefits. With some variation across the provinces, the provincial labour codes also changed to allow for up to approximately 52 weeks of maternity and parental leave.

The program changes are particularly important for adopting parents because the changes more than tripled the length of paid leave available to them under EI. Parents who adopted a child in 2001 could be eligible for 37 to 52 weeks of unpaid leave and up to 35 weeks of EI parental benefits. By comparison, under the pre-2001 legislation, adopting parents could be eligible for up to 10 weeks of EI parental benefits and, because of variations in provincial labour codes, anywhere from 8 to 52 weeks of unpaid leave.

## **2.3 Objectives**

The extension to the EI parental benefits is intended to improve support provided to parents to allow them to spend more time with their infant children and to eventually return to work. Although the program focuses on parents, the program also aims to help children. The detailed rationale underlying EI parental and maternity benefits and the enhancements that took effect on December 31, 2000 are highlighted by the following objectives.

### **2.3.1 Promoting Child Development**

The first year of a child's life is considered to be a critical window of opportunity during which the foundation is laid for the development of the child (McCain and Mustard, 1999; Brooks-Gunn, Han and Waldfogel, 2002). Infants benefit from increased opportunities to be nurtured and stimulated by their parents (McCain and Mustard, 1999). A "secure attachment" between the infant and parent sets the basis for later relationships, emotional and social behaviours, problem solving, and academic performance (Berkwith, 1990; Main, 1990; Keating, 1993). Over the long-run, this could enhance human capital development leading to better labour market options.

### **2.3.2 Balancing Demands of Work and Very Young Children**

Parents can experience considerable conflict in balancing the demands of work and the needs of very young children. Forty percent of working Canadians report high levels of work-life conflict. Men and women with dependent care responsibilities report substantially more work-life conflict than their counterparts without such obligations. The enhanced maternity and parental benefits are aimed at helping parents to balance work and family responsibilities and to help ensure that children get the best possible start in life.

### **2.3.3 Making Short-Term Investment for Long-Term Economic Gain**

Parents facing reduced stress regarding the demands of young children and work have less absenteeism, fewer health problems and are more productive employees. Providing young children with the best possible start in life will result in productivity and economic gains in the future.

### **2.3.4 Using EI as an Effective Instrument**

The majority of working parents are eligible for maternity/parental benefits. Eighty to 85 percent of mothers with paid employment are covered by EI maternity benefits under the enhanced system.

There is high take-up among all income levels. Under the pre-2001 benefit system, the majority of mothers used their full entitlement. Analysis of low-income and special benefits (i.e. maternity, parental and sickness benefits) shows that under the pre-2001 benefit system, 82 percent of eligible low-income earners claimed parental benefits and used almost all of the weeks available (with an average of 9 weeks out of a possible total of 10).

### **2.3.5 Promoting Gender Equality**

Female labour participation rates have increased over the past two decades. In 1999, 78.2 percent of women aged 25 to 54 were in the labour force (Labour Force Survey, Statistics Canada). A 1993 to 1996 survey that examined women who gave birth and returned to work within two years found that a full 100 percent who took six months off reported receiving benefits, 83 percent returned to the same job and 89 percent returned to their previous work status (Survey of Labour and Income Dynamics (SLID), Statistics Canada).

Although participation among eligible workers is much higher for women compared to men, EI parental benefits provide an option for fathers to share more of the responsibilities of caring for their new baby. The extended parental benefits are available to either parent and can be shared without a second 2-week waiting period.

### **2.3.6 Allowing Businesses to Retain Valuable, Experienced Employees**

Women receiving maternity/parental benefits are more likely to return to the same employer following the birth of a child (SLID, Statistics Canada).

## **2.4 Context: A Changing Family Policy and Program Environment**

EI parental benefits are a core component of the National Children's Agenda and part of a broader mix of programs that provide support to families with young children. Some of these programs provide income support to individual families, while others (often funded jointly through federal/provincial/territorial cost-sharing) provide a range of community-based services.

Examples of federal income support programs include the Child Care Expense Deduction, and National Child Benefit Supplement for low-income and modest-income families, which is part of the Canada Child Tax Benefit. Federal funds are also used to deliver and co-ordinate the Canada Prenatal Nutrition Program and Community Action Programs for Children (directed primarily to low income communities). Aboriginal Head Start and child care programs are delivered both on and off reserves. Examples of provincial and municipal programs include social assistance for individuals and families in need, and a range of services for young children and their families.

In recent years, federal/provincial/territorial agreements on the National Child Benefit, the September 2000 Early Child Development Initiative (ECDI), and the 2003 Multilateral Agreement on Early Childhood Services have provided a strong impetus for the development of additional and enhanced services for families with young children. In particular, the ECDI provides multi-year funding for four key areas: 1) promoting healthy pregnancy, birth and infancy; 2) improving parenting and family supports; 3) strengthening early childhood development, learning and care; and 4) strengthening community supports. The recently announced Multilateral Agreement provides more targeted funding for regulated child care and early childhood services. All of these initiatives relate to the government's National Children's Agenda and reflect a shared concern and commitment to support parents and enhance early child development.

While the current evaluation study is focused on examining the impacts of enhanced parental benefits, it should be noted that improvements in child care and other community-based supports (or the lack thereof) can also be reflected in the findings. Readers should also bear in mind that, while this evaluation focuses on effects at the national level, differences in provincial and territorial legislation can affect parents' eligibility for job-protected maternity and parental leave and benefits at the provincial/territorial level (as discussed in Section 6.6.7).

## 3. *Evaluation Issues and Approach*

This section provides an overview of the evaluation issues and the research methods used to examine these issues. The strengths and weaknesses of the evaluation approach are highlighted at the end of the section.

### 3.1 Evaluation Issues

The evaluation issues examined in this study were approved by the Evaluation Steering Committee as part of the methodological development and the preparation of the *Methodology Report*. The final list consists of the following issues:<sup>5</sup>

1. What evidence exists that elements of the program or its design are likely to contribute to achieving its goals?
3. Has extending the benefits encouraged workers to take parental leave or increased its duration, especially among low-income claimants?
4. To what extent do the benefits provide financial support for the family?
- 5.2 Are participants better able to return to their previous jobs?
- 6.1. Do participants feel that the program is useful?
- 6.2. Does the program, through increased time at home, generate non-monetary benefits for parents?
- 6.3. Does the program, through increased time at home, generate non-monetary benefits for children, both the newborn and others?
7. To what extent do participants work while receiving benefits?
8. What factors are likely to contribute to participation?
10. How are employers affected by the new parental benefits program?
11. What is the labour market profile of individuals who are eligible and those who are not eligible to claim benefits?
12. Does the use of sickness benefits in the context of the maternity/parental/sickness benefit plan decline after December 31, 2000?
13. Are there more effective or cost-effective ways of helping parents?

---

<sup>5</sup> Evaluation Issue 9, which was listed in the original terms of reference, pertained to an assessment of cost-effectiveness. It was dropped at the methodology stage due to lack of required data on the costs of administering the program. Evaluation Issue 2 and 5.1 are examined in a technical report.

## **3.2 Evaluation Methods**

The evaluation approach used in this report emphasized the use of multiple lines of evidence and an expert panel to guide the analysis. The following main research methods were used:

- An expert panel;
- A document and literature review;
- Program administrative data;
- Surveys of participants and comparison group;
- Data from the Survey of Labour and Income Dynamics; and
- A survey of employers.

### **3.2.1 Expert Panel**

An expert panel was used to advise and assist the project team in developing the analysis plan. A key function of the panel was to ensure adequate coverage of the evaluation issues and to provide expertise on the policy impacts of programs affecting children and families. Input from the panel also contributed to the preparation of the *Methodology Report* and the development of the survey questionnaires.

### **3.2.2 Document and Literature Review**

Over thirty recent studies/sources were examined as part of the methodological development and analysis done for this evaluation. A list of references appears in the *Methodology Report*. The document review included a summary document provided by Insurance Services and Insurance Policy, at Human Resources and Skills Development Canada (HRSDC), that described the policy rationale underlying the enhanced EI maternity and parental benefits.

### **3.2.3 Program Administrative Data**

Two EI administrative data files were used:

- The Records of Employment (ROEs) data file shows when “pregnancy or parental” was the reason for a job separation; and
- Status Vector data indicate the receipt of maternity/parental benefits.

The evaluation analysis used the administrative data to define/identify benefit recipients. These recipients were considered to be individuals who received maternity/parental benefits, even if their ROEs for prior jobs showed reasons for separation other than

“pregnancy or parental”. Also included were women who took leave for the birth of a child but who claimed maternity benefits only.

The program administrative files were used to help obtain a profile of benefit recipients. The ROE file was also used for the sample frame for the participant surveys.

### 3.2.4 Surveys of Participants

In the development of the methodology, preliminary evidence from the administrative files suggested that the most informative approach to the evaluation would be to compare the experiences of participants under the enhanced benefits program to the experiences of participants under the pre-2001 program, rather than focusing the analysis on comparing recipients and non-recipients under the enhanced program. Comparing the experiences of program participants under the program before and after the changes was chosen because the numbers of people in the sample frame who either did not receive benefits or did not qualify for benefits were relatively very low, as shown in Exhibit 2.

<b>Exhibit 2</b>				
<b>Entitlement to and Receipt of Maternity or Parental Benefits</b>				
<b>Status</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Entitled to and received benefits	176,039	84.1	134,095	85.3
Entitled to but did not receive benefits	21,222	10.1	15,660	10.0
Did not qualify for benefits	11,980	5.7	7,442	4.7

Source: Records of Employment and Status Vector file, extracted November 2001, for the years 2000 and 2001.

Under the selected approach, the absence of the enhancements is represented by the pre-2001 program. This approach permits the observed differences to be attributed to the program changes, after controlling for other possible factors that could account for the observed differences between the two program groups.

**The survey of pre-2001 program participants** was conducted by telephone between November 27, 2001 and March 14, 2002, and yielded 3,343 completed interviews. These people were selected from those who had births or adoptions that occurred between January 1 and June 30, 2000, for the most part. This range was extended to mid-August for Prince Edward Island to draw closer to the provincial quotas for the analysis.

The initial sample drawn for the survey of pre-2001 program participants was insufficient to yield the required number of completed interviews. This necessitated drawing a supplementary sample. The response rate for the survey of pre-2001 program participants was 43 percent.

**The survey of the enhanced program participants** was conducted in two waves. Participants in the enhanced program were first contacted in a baseline survey, which was conducted by telephone between January 3 and February 4, 2002 and yielded 7,212 completed interviews. These participants had births or adoptions mostly between

January 1 and June 30, 2001. This survey captured basic information about the participants, most of whom had recently started their parental leaves. It also sought agreement to be interviewed again at a later date to obtain information about the participants' experiences after the end of their parental benefits. Agreement was obtained from 6,926 interviewees (96 percent). A follow-up survey was conducted by telephone between September 3 and December 1, 2002 and yielded 3,973 completed interviews.

Where respondents to the participant surveys gave permission, data from the participant surveys were linked to administrative data on the amounts and timing of benefits received.

The response rate for the baseline of the enhanced program survey was 72 percent. The response rate for the follow-up survey was 57 percent of those who agreed to be contacted for the follow-up interview. A weighting scheme was applied to adjust the samples' representation of the populations from which they were drawn based on variations in rates of response. Research of this kind entails an implicit assumption that non-respondents would not differ substantially from respondents in their responses if they did complete the interview. The response rate corrections represent the most detailed type of correction feasible with survey data of this kind.

### **3.2.5 Data from the Survey of Labour and Income Dynamics**

The surveys of participants used ROE data as its sample frame and therefore did not include workers who did not formally separate from their jobs (ROEs are triggered by interruptions in earnings) at the time of the birth or adoption. Parents who did not formally separate from their jobs might, even if eligible for parental benefits, have taken another form of leave, such as vacation, employer-paid parental leave, or leave without pay (although workers who are eligible for EI parental benefits would probably be unlikely to choose leave without pay).

The omission of those who did not formally separate from their job could bias the analysis, in that changes in the program might have affected behaviour with respect to formal separation. Although there is no risk of bias in comparing workers with 700 or more insurable hours under the enhanced program with those under the pre-2001 program, there is a potential for bias in the case of workers with 600 to 700 insurable hours (i.e. for workers who would not have qualified for parental leave had the pre-2001 program continued) because the comparison would involve beneficiaries under the enhanced program and non-beneficiaries under the pre-2001 program. The potential bias arises because the non-beneficiaries under the pre-2001 program fail to include workers with the required numbers of insured hours but who did not formally separate from their jobs.

Data from the Survey of Labour and Income Dynamics (SLID) at Statistics Canada were used to assess the magnitude of this omission. Using the SLID data, it was possible to identify 687 respondents with data for the year 2000 and 787 with data for the year 2001 who were deemed eligible for maternity/parental benefits under the respective entrance



requirements for each of the two years. The SLID data for the years 2000 and 2001 were also used to develop a regression model of the propensity, among eligible workers, to separate from their jobs. Parameter estimates extracted from this model were used to adjust for the above bias when conducting analytical comparisons to determine the effects of the enhanced benefits.

SLID data were also used to compare recipients and eligible non-recipients and to help examine the factors affecting program participation before and after the program changes.

### **3.2.6 Survey of Employers**

A survey of employers was undertaken to obtain direct information on employers' views and experiences regarding parental benefits.

The sample for the **Survey of Employers** was drawn from the business list of Dunn and Bradstreet Marketing Services, an established registry of Canadian employers. The sample aimed to represent firms of different sizes and included employers with experience with the enhanced parental benefits program and those without any experience under the enhanced program. Determining employer experience required a screening interview. Interviews were completed between February 5 and March 12, 2002 with a random sample of 652 small, medium, and large employers. Quota sampling was used to ensure that firms with and without program experience were contacted. The interviews were conducted with the most senior executive at that location who could provide information related to human resource issues. Questions focussed on the experience of employers related to leaves taken since the introduction of the enhanced program on December 31, 2000.

The number of interviews completed with employers of the various types were:

- Small-size employers with experience with the enhanced program: 98
- Medium-size employers with experience with the enhanced program: 150
- Large-size employers with experience with the enhanced program: 100
- Small-size employers with no experience with the enhanced program: 153
- Medium-size employers with no experience with the enhanced program: 151

The sample of employers posed a problem with respect to finding adequate numbers of small firms that had experience with the enhanced program. It seems that many small employers had not had adequate time for their employees to have taken maternity or parental leave at the time of the survey (February/March 2002).

### **3.2.7 Strengths and Limitations**

In considering the strengths and weaknesses of the evaluation approach, a number of key strengths can be noted:

- The participant surveys provided a rich source of data and covered a broad range of factors and outcomes for the newly born or adopted child, for the benefit recipient and for his or her partner. The samples for the surveys led to 7,318 responses and resulted in a sample size of 7,220 (after removing 98 respondents who reported a birth date for the child before 2000 or who claimed to have returned to work before the EI benefit period began). The sample size also supported the use of statistical estimation analysis to estimate program impacts while controlling for other factors;
- Particular emphasis was placed on the use of multiple analytical approaches and/or probing survey questions to provide multiple lines of evidence and to explore/corroborate the main findings;
- Wherever possible, statistical estimation analysis was used to examine program impacts while controlling for other factors that could be contributing to an observed pattern or result;
- The evaluation approach was able to examine almost all of the evaluation issues approved by the Evaluation Steering Committee. The main exception was evaluation issue 11. Given the evaluation's focus on comparing participants in the pre-2001 and enhanced programs, this report did not compare those who were eligible to those who were not eligible;
- The samples for the participant surveys are only one year apart allowing for an analysis of the policy change with control factors likely remaining constant.

At the same time, however, the following limitations should be noted:

- The evaluation was done at the time when the program was changing. Participants in the pre-2001 program were aware that parents of children born only months later would have access to a much longer period of parental benefits and more flexibility in deciding whether to share benefits with a spouse or partner. It is possible that this circumstance could have negatively coloured the views of the surveyed participants of the pre-2001 program. Likewise, participants in the enhanced program could have experienced a positive contrast effect, given the new advantages they enjoyed. At the same time, however, given that the evaluation was conducted soon after the program changes, some participants of the enhanced program and their employers might not have been fully aware of all aspects of the program changes;
- Not all respondents had finished their leaves and returned to work at the time of the survey (90 percent of pre-2001 program group and 85 percent of the enhanced program group had returned to work by the time of the survey). Although statistical estimation techniques were used to help correct/adjust for the incomplete information in the case of unfinished leaves, this information would still be incomplete in other parts of the analysis;

- Although adopting parents are included in the evaluation (given that the program changes more than tripled the amount of paid leave available to them under EI), they accounted for only 1.3 percent of participants in the pre-2001 program group and 3.2 percent of participants in the enhanced program group. Given the small size of this group, the evaluation findings for adopting parents should be used with caution. In addition, there were substantial differences among adopting parents in the pre-2001 and enhanced programs, which complicate the evaluation of program impacts for this group. For example, the enhanced program group was less likely to have adopted a child from outside Canada (37 percent vs. 50 percent of pre-2001 program adoptions), and almost one fifth of adoptions in the enhanced program group were of a former foster child, compared to 0 percent of the pre-2001 program group. Also children younger than six months accounted for almost one-third of the adoptions in the pre-2001 program group, compared to 15 percent in the case of the enhanced program group;
- Data was lacking in some areas. For example, a full evaluation of the effects of the program changes on benefit-sharing requires more data than are currently available. Specifically, it would have been useful to be able to estimate the proportion of dual-earner couples that could qualify for benefit-sharing in each jurisdiction, in order to observe take-up rates. As well, it would have been useful to know what proportion of dual-earner couples who qualified for benefit-sharing wished to share benefits, but were unable to do so because of financial or possibly other reasons.



## 4. Program Participants

This section examines the following evaluation issues:

- Issue 11: What is the labour market profile of individuals who are eligible and those who are not eligible to claim benefits?
- Issue 8: What factors are likely to contribute to participation?
- Issue 12: Does the use of sickness benefits in the context of the maternity/parental/sickness benefit plan decline after December 31, 2000?

These issues are examined by:

- Assessing the effects of reducing the entrance requirement for maternity/parental benefits;
- Comparing the characteristics and labour market profiles of participants and eligible non-participants;
- Conducting a statistical estimation analysis of factors contributing to participation;
- Comparing the characteristics and labour market profile of participants in the pre-2001 program with participants in the enhanced program;
- Assessing the use of sickness benefits after December 31, 2000; and
- Assessing the use of the Family Supplement after December 31, 2000.

The analysis uses program administration data, SLID data, and data collected by the participant surveys. As noted in Section 3.2.3, where the data permits, recipients are defined to include individuals who received maternity or parental benefits, even if their ROEs for prior jobs show reasons for separation other than “pregnancy or parental”. Recipients also included females who take leave for the birth of a child but claim maternity benefits only.

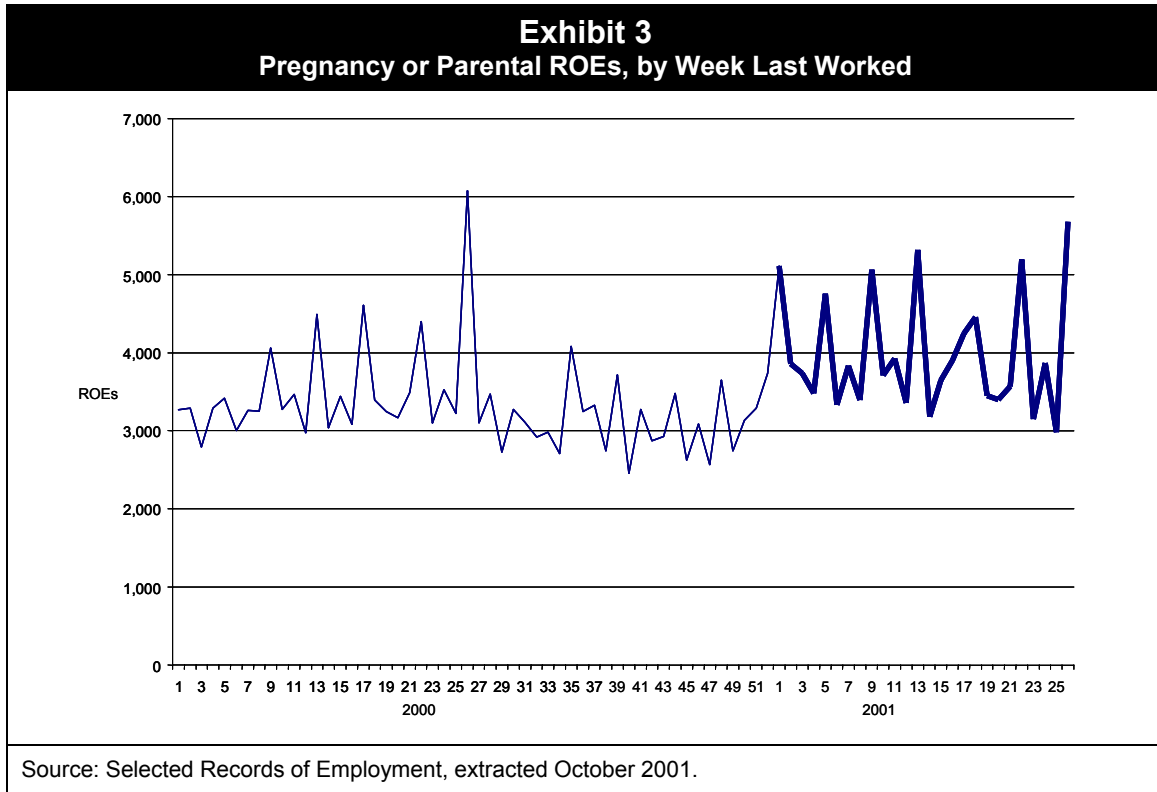
### 4.1 Eligibility for Benefits

The following analysis examines the effects of the program changes on numbers of eligible workers. It uses program administrative data which include data on eligible and ineligible workers only if they separated from a job (yielding an ROE).

***There was an observed increase in the number of ROEs issued showing “pregnancy or parental” as the reason for separation/termination after December 31, 2000.***

ROE data provided by HRSDC in October 2001 contained 288,180 records that showed “pregnancy or parental” as the reason for separation and termination of work after January 1, 2000. Exhibit 3 shows the distribution by week of the reported last dates of work on these ROEs. There is a visible shift upward in the number of ROEs issued beginning with the implementation of the enhanced program at the end of 2000. The average number of ROEs per week in the first 26 weeks of 2000 was 3,525,

compared to 3,985 for the corresponding period in 2001, an increase of 460 per week or 13 percent.

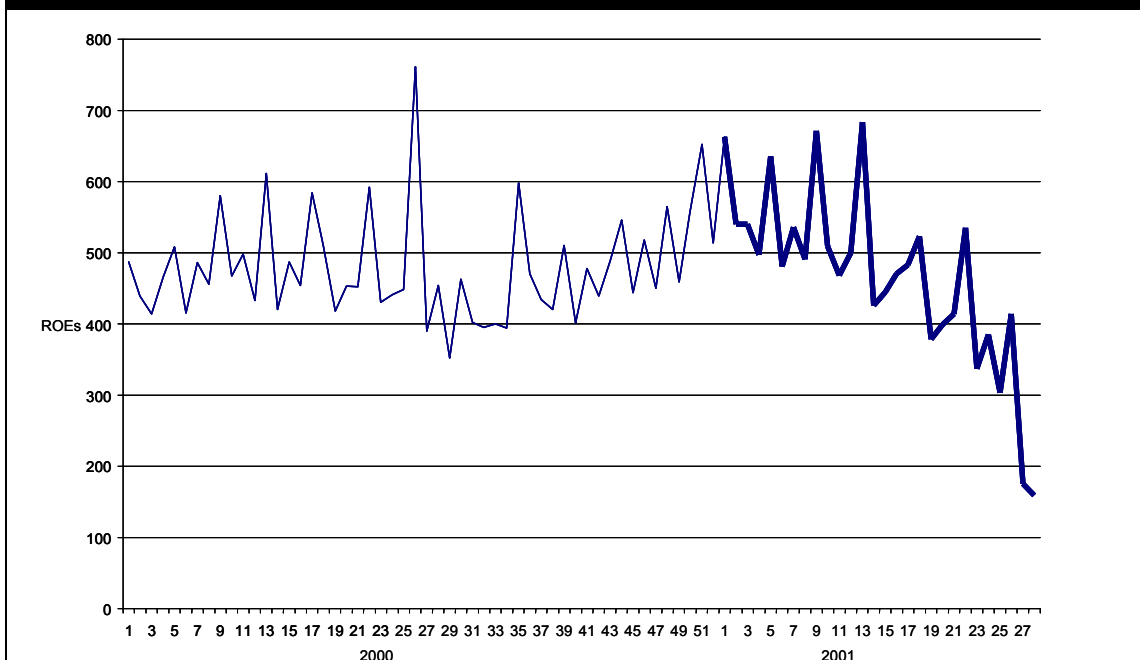


***One reason for the increased number of “pregnancy or parental” ROEs after December 31, 2000 is that the enhanced program extended eligibility to include workers with between 600 and 700 insured hours.***

The ROE data were used to test for evidence that the increase in the number of “pregnancy or parental” ROEs reflected the inclusion of workers with insured hours in the range 600 to 700 under the enhanced program.

Exhibit 4 shows the distribution by week of 37,628 ROEs issued with fewer than 600 insured hours (i.e. leave-takers who would not be eligible for benefits under either the pre-2001 or the enhanced programs). While the numbers increased slightly very early in 2001, they dropped off substantially after the first quarter. The average number issued per week in the first 26 weeks of 2000 and 2001 were 488.8 and 489.5, respectively. This apparent consistency in both years is consistent with the expectation that the change in the eligibility requirement under the enhanced program would not affect separations from jobs for those with fewer than 600 insured hours. However, it has to be noted that there is a drop of ROEs with fewer than 600 insured hours starting in April 2001. Perhaps those who had just under 600 hours in the past, worked extra hours in order to qualify for benefits.

**Exhibit 4**  
**Pregnancy or Parental ROEs, by Week Last Worked,**  
**with Fewer than 600 Insured Hours of Work**

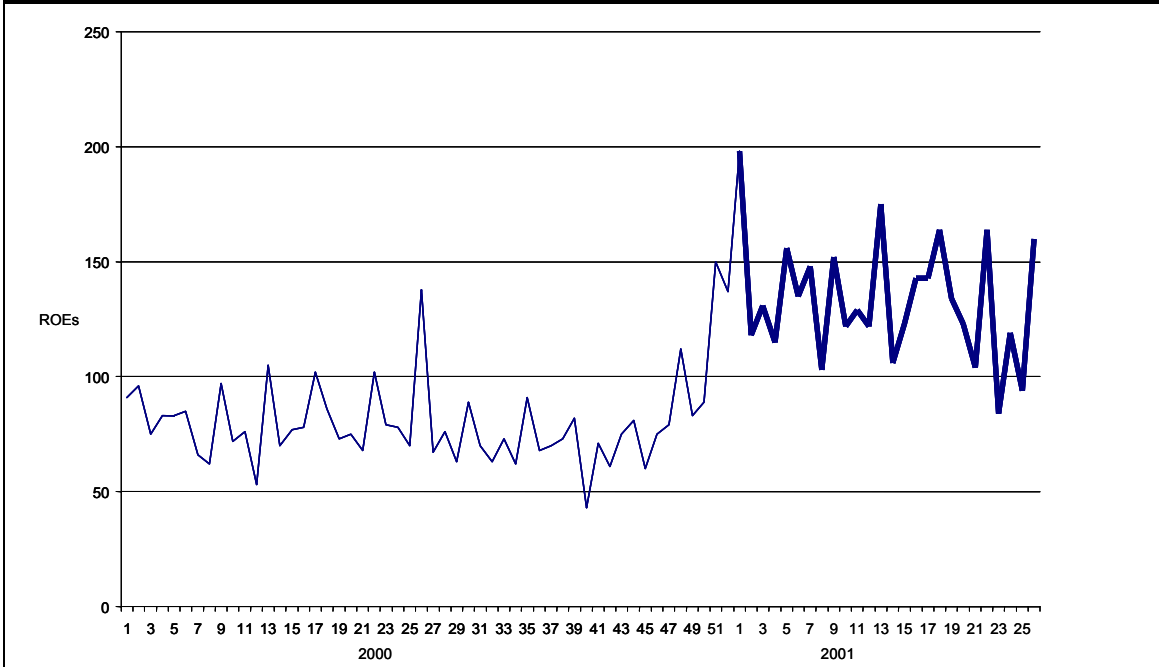


Source: Selected Records of Employment, extracted October 2001.

Exhibit 5 shows the 7,668 ROEs issued with between 600 and 700 insured hours (i.e. leave-takers who would have become eligible for maternity/parental benefits under the enhanced program). In this case, the numbers increased noticeably at the beginning of 2001 then maintained the higher level. The average numbers of ROEs (in this range of insured hours) issued per week in the first 26 weeks of 2000 and 2001 were 82 and 133, respectively, for a gain of 51 ROEs per week, on average, or 62 percent more than in 2000. This increase supports the hypothesis that the change in the eligibility requirement induced workers who had between 600 and 700 insured hours to take formal leave from their jobs.

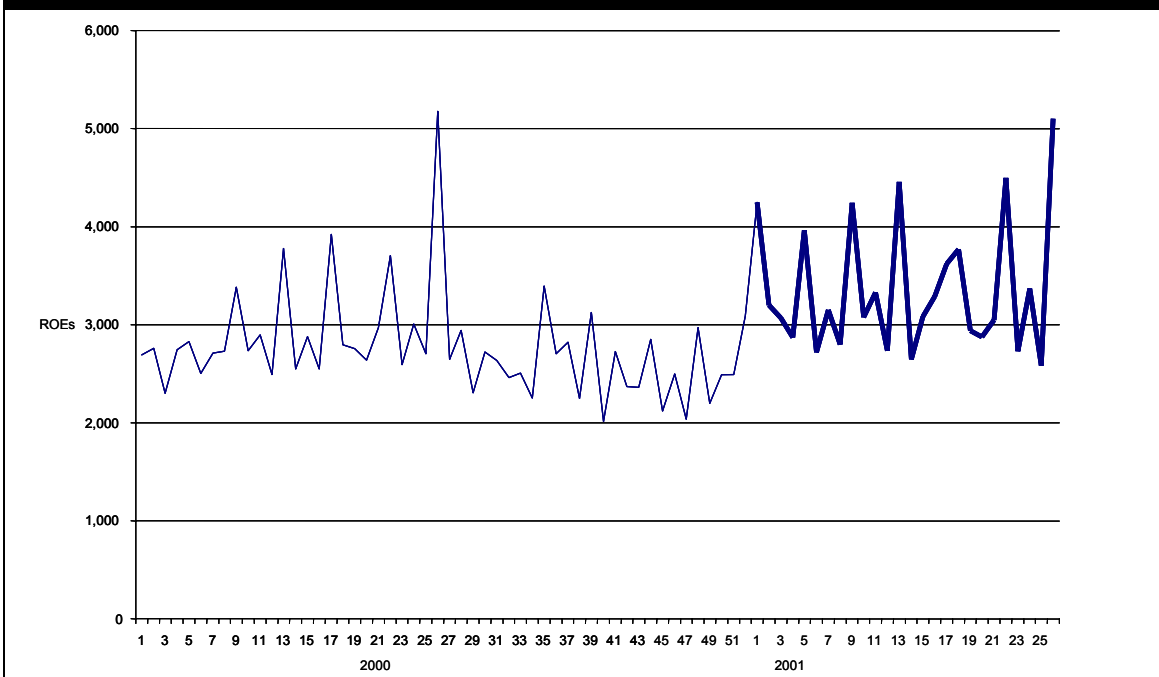
Exhibit 6 looks at the numbers of ROEs issued with 700 or more insured hours. This group is by far the largest at 231,175 ROEs, and accounts for 80 percent of all those individuals whose last week of work was between the first week of 2000 and the 26<sup>th</sup> week of 2001. The average number of these ROEs per week in the first 26 weeks of 2000 was 2,953. For the corresponding period in 2001, the average was 3,362, representing an increase of 409 per week, or 14 percent higher than the previous level.

**Exhibit 5**  
**Pregnancy or Parental ROEs, by Week Last Worked,**  
**with 600 to 699 Insured Hours of Work**



Source: Selected Records of Employment, extracted October 2001.

**Exhibit 6**  
**Pregnancy or Parental ROEs, by Week Last Worked,**  
**with 700 or More Insured Hours of Work**



Source: Selected Records of Employment, extracted October 2001.



Decomposing the total observed increase of 460 on average “pregnancy or parental” ROEs per week, this analysis suggests that 51 (11 percent) of these may be attributed to the reduction in the number of insured hours needed to be eligible for benefits under the enhanced program. The remaining 409 cases (89 percent) involved ROEs with enough insured hours to be eligible for benefits under either program. This latter increase should be considered to be due to other factors, which could include the other changes introduced by the enhanced benefits (i.e. the longer maximum duration of benefits and greater flexibility in the sharing of benefits) as well as other reasons. The effects of some of the other program changes are examined later in this report.

## **4.2 Participation Among the Eligible**

This part of the analysis uses SLID data to help examine issue 8: “What factors are likely to contribute to participation?” It should be noted that receipt of maternity and parental benefits had to be inferred indirectly from other information in the SLID data base. The same was true for determining eligibility for benefits. Eligible individuals on the SLID are identified as birth parents who reported having worked at least 700 hours in 2000 or 600 hours in 2001. Then, the responses to SLID questions were used to judge which respondents might have taken parental leaves and received maternity or parental benefits. The questions pertained to absences from work, separating from a job and receipt of EI benefits. The details are provided in Appendix A. Therefore, the results will not be as precise as might be expected to occur under the detailed process used to establish/administer an EI claim for these benefits.

The data extracted from SLID applied only to those people who were deemed eligible for benefits, as the focus of this part of the analysis is on determining the characteristics of participants among the eligible. Therefore, these data did not allow a comparison of people who did and did not have enough hours of employment to qualify for parental benefits.

### **4.2.1 Comparing Participants and Eligible Non-participants**

*The overall participation rate increased under the enhanced program.*

Exhibit 7 indicates that the overall participation rate was 48.8 percent under the enhanced program, up from 44.4 percent under the pre-2001 program. This includes both eligible males and females. The participation rate could be interpreted as low. It is mainly due to the low male participation (18.6%). The female participation rate increased from 79.9% to 85.6% after the implementation of the enhanced program.

Participants differed considerably from eligible non-participants by gender. As seen in Exhibit 7, about three-quarters of participants were female in each year, while over 80 percent of eligible non-participants were male. Exhibit 7 also shows the proportion of male participants went up from 24.2 percent to 27.6 percent which compares to an equivalent decrease for woman. This might be explained by the longer maximum parental

period, which could have lead to a greater proportion of sharing the parental period between men and women. This issue will be examined later in the paper.

<b>Exhibit 7</b>							
<b>Participation Among the Eligible, by Gender</b>							
<b>Gender</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Male	%	84.8	24.2	88.4	27.6	18.6	22.9
Female	%	15.2	75.8	11.6	72.4	79.9	85.6

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

Looking at marital status, Exhibit 8 shows that the participant group had a higher proportion of common-law couples than the eligible non-participant group, while the eligible non-participant group had a higher proportion of married couples. The participation rate increased for most categories of marital status after December 31, 2000, except for single.

<b>Exhibit 8</b>							
<b>Participation Among the Eligible, by Marital Status</b>							
<b>Marital Status</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Married	%	77.1	72.8	77.6	72.4	43.0	47.0
Common-law	%	18.8	21.8	15.8	20.1	48.0	54.9
Separated, divorced, or widowed	%	1.2	1.2	1.4	1.7	44.4	53.8
Single	%	2.9	4.2	5.3	5.8	53.8	51.1

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

The rate for the 31-40 age group increased considerably from about 37 to 46 percent. The participation rate tended to be highest for the 21 to 30 age group under the pre-2001 program. Overall, participants had an average age similar to all mothers giving birth in Canada in 2000 or 2001. The one exception was the 16 to 20 year age group, where these mothers composed 2 percent of the sample compared to 5 percent of all mothers in Canada.<sup>6</sup>

<sup>6</sup> Statistics Canada, CANSIM, Table 102-4508 - Live births, by age and parity of mother, Canada, annual

<b>Exhibit 9</b>							
<b>Participation among the Eligible, by Age</b>							
<b>Age</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
16-20	%	1.7	1.5	1.1	2.4	41.7	66.7
21-30	%	39.4	57.4	45.0	55.2	53.8	53.9
31-40	%	53.6	39.3	45.0	40.3	36.9	46.0
41-50	%	5.3	1.8	8.9	2.2	21.4	18.8

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

Analysis by province (as shown in Exhibit 10) indicates that people in Ontario and Alberta were less likely to participate in maternity/parental benefits. While the participation rate increased for most provinces with the introduction of the enhanced benefits, the participation rate decreased in the case of Alberta and Newfoundland.

<b>Exhibit 10</b>							
<b>Participation Among the Eligible, by Province</b>							
<b>Province</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Newfoundland	%	4.1	5.7	3.0	3.1	52.8	50.0
Prince Edward Island	%	1.9	3.9	1.6	2.2	61.9	56.3
Nova Scotia	%	5.3	7.9	5.5	7.0	54.2	54.7
New Brunswick	%	5.6	6.6	4.8	5.3	48.9	51.2
Quebec	%	15.0	20.2	13.2	20.1	51.9	59.2
Ontario	%	33.6	25.1	37.4	28.3	37.4	41.8
Manitoba	%	8.0	9.1	5.3	9.8	47.6	64.1
Saskatchewan	%	8.7	6.3	8.9	9.4	36.8	50.0
Alberta	%	10.6	7.9	13.7	8.4	37.1	36.8
British Columbia	%	7.2	7.3	6.6	6.5	44.4	48.2

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

***The participation rate is highest in the case of the first child under each program.***

Exhibit 11 indicates that participation is more likely with respect to a family's first child. In other words, the participant group has a higher proportion of families with just one child, relative to eligible non-participants. This conclusion is also supported by the distributions of the number of pre-school children in the family. It is also corroborated by the relatively high participation rate for families with one child (47 percent in 2000).

<b>Exhibit 11</b>							
<b>Participation Among the Eligible, by Number of Children</b>							
<b>Number of Children</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
<b>All</b>							
1	%	45.7	50.8	42.0	47.5	47.1	51.8
2	%	38.6	38.4	38.8	35.7	44.3	46.7
3	%	10.4	9.7	14.2	13.2	42.7	47.0
4+	%	5.3	1.2	5.0	3.6	15.4	40.5
<b>Pre-School</b>							
1	%	56.5	59.2	51.4	60.7	45.6	52.9
2+	%	43.5	40.8	52.7	39.3	42.9	43.5
<b>School-Age</b>							
0	%	83.1	86.1	80.8	77.7	45.3	47.8
1	%	11.8	11.8	14.6	17.3	44.3	52.9
2+	%	5.1	2.1	4.6	5.0	25.0	51.2
Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.							

*Before January 1, 2001, participation rates were higher for those with incomes of \$35,000 or less, although this pattern appears to have disappeared after the benefits were enhanced.*

Under the pre-2001 program, there appears to have been a slightly greater tendency for participants to have relatively lower household incomes, especially under \$35,000 (as seen in Exhibit 12). This is corroborated by the relatively high participation rates for those with incomes below \$25,000 (52 percent in 2000) and those with incomes between \$25,001 and \$35,000 (49 percent).

<b>Exhibit 12</b>							
<b>Participation Among the Eligible, by Household Income</b>							
<b>Income</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Up to \$25,000	%	2.9	3.9	4.6	4.8	52.0	50.0
\$25,001 - \$35,000	%	8.2	10.0	9.6	9.8	49.3	49.4
\$35,001 - \$45,000	%	15.0	14.2	9.1	11.8	43.1	55.1
\$45,001 - \$55,000	%	12.1	13.6	14.2	13.4	47.4	47.5
\$55,001 - \$65,000	%	15.0	13.3	15.1	17.0	41.5	51.8
\$65,001 - \$75,000	%	11.1	10.0	13.0	13.4	41.8	49.6
\$75,001 - \$85,000	%	9.2	8.8	7.5	8.4	43.3	51.5
\$85,001 - \$100,000	%	13.0	13.0	12.1	11.8	44.3	48.0
Over \$100,000	%	13.5	13.3	14.8	9.6	44.0	38.1
Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.							

The introduction of the enhanced benefit structure seems to have mitigated this difference, however. As shown in Exhibit 12, the participation rates for those with incomes under \$35,000 were about the same before and after January 1, 2001, while relatively large increases in the participation rate occurred in the case of those in the \$35,001 to \$40,000 income group (from 43 percent to 55 percent) and the \$55,001 to \$60,000 income group (from 42 percent to 52 percent).

***Participation rates tended to be higher for those who worked for pre-leave employers for fewer years.***

A comparison of distributions of participants and eligible non-participants by the duration of their previous jobs (Exhibit 13) shows very few differences, although there appears to be a slight tendency for participants to have been working for pre-leave employers for fewer years.

<b>Exhibit 13</b>							
<b>Participation Among the Eligible, by Job Duration</b>							
<b>Job Duration (months)</b>		<b>Participant</b>				<b>Part. Rate</b>	
		<b>2000</b>		<b>2001</b>		<b>2000</b>	<b>2001</b>
		<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>%</b>	<b>%</b>
<b>Total</b>	<b>N</b>	414	331	438	417	44.4	48.8
12 or less	%	21.0	23.3	21.2	21.1	47.0	48.6
13 to 24	%	16.2	15.1	19.9	24.9	42.7	54.5
25 to 36	%	10.6	12.7	8.2	10.3	48.8	54.4
37 to 48	%	9.9	10.0	8.9	10.1	44.6	51.9
49 to 60	%	6.3	6.3	5.5	6.2	44.7	52.0
61 to 72	%	6.0	6.6	4.1	5.3	46.8	55.0
73 to 96	%	6.8	5.7	5.7	4.3	40.4	41.9
97 to 120	%	6.8	6.3	3.4	2.4	42.9	40.0
More than 120	%	16.4	13.9	2.7	2.6	40.4	47.8

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

***Participation rates are higher for those working in clerical, professional or sales jobs, and this pattern continued after the benefits were enhanced.***

Exhibit 14 shows that participants are more likely to be in clerical, sales or professional jobs than in executive or managerial positions or “other” occupations. This is corroborated by the relatively high participation rates for these three categories. After the benefits were enhanced, participation rates were higher in all occupational categories except for sales.

**Exhibit 14**  
**Participation Among the Eligible, by Occupation**

Occupation		Participant				Part. Rate	
		2000		2001		2000	2001
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Exec/Manager	%	5.8	1.8	7.1	4.8	20.0	39.2
Professional	%	23.4	27.8	20.8	25.7	48.7	54.0
Clerical	%	7.0	16.9	6.6	16.8	65.9	70.7
Sales	%	8.9	12.1	9.6	8.9	51.9	46.8
Other	%	54.8	41.4	55.9	43.9	37.6	42.8

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

*Participation rates were highest for those with non-university post-secondary certificates both before and after the benefits were enhanced (about 51 percent), while those with less than high school experienced the largest increase after December 31, 2000.*

As seen in Exhibit 15, the participation rate was highest for those with non-university post-secondary certificates before the end of 2000 (at about 49 percent). This pattern continued after the benefits were enhanced, when the participation rate for this group increased slightly to about 51 percent.

The participation rates for all levels of education increased after December 31, 2000, with the largest increase occurring in the case of those with less than high school (increasing from 37 percent to 46 percent).

**Exhibit 15**  
**Participation Among the Eligible, by Level of Education**

Level of Education		Participant				Part. Rate	
		2000		2001		2000	2001
		No	Yes	No	Yes	%	%
<b>Total</b>	N	414	331	438	417	44.4	48.8
Less than high school	%	8.9	6.6	8.0	7.2	37.3	46.2
Graduated high school	%	15.0	14.5	13.9	12.9	43.6	47.0
Some post-secondary	%	10.1	9.7	12.6	10.3	43.2	43.9
Non-university post-sec. certificate	%	31.6	37.8	34.5	38.1	48.8	51.3
University degree or certificate	%	25.6	25.7	22.8	23.7	44.5	49.7
No answer	%	8.7	5.7	8.2	7.7	34.5	47.1

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

## 4.2.2 Factors Contributing to Participation

Statistical estimation analysis (multivariate probit analysis) was used to examine the effects of factors that could be contributing to participation, while controlling for other

characteristics/factors affecting participation. The method used to identify eligible participants and non-participants in the SLID data is discussed in Appendix A.

The statistical estimation analysis (probit) examined the likelihood of eligible persons receiving benefits. The analysis was applied separately to data for 2000 and 2001 so that the results could be used to determine the extent to which relationships changed around the time the benefits were enhanced. The analysis was used to determine which of the following variables have a statistically significant influence on the likelihood of eligible persons receiving benefits:

- Job duration in months;
- Number of children under 5;
- Number of children between 5 to 17 years of age;
- Gender (using a male dummy variable);
- Marital status (using a series of dummy variables);
- Monthly household income;
- Level of education (using a series of dummy variables);
- Age;
- Occupation (using a series of dummy variables); and
- Province of residence (using series of dummy variables).

***The statistical estimation analysis for 2000 showed that gender and education at the doctorate level had significant effects on the participation of eligible persons.***

The statistical estimation analysis for the year 2000, which corresponds to the pre-2001 program period, indicated that the model had a good fit (pseudo  $R^2$  of 0.42). Two variables in the model were found to be statistically significant (at the conventional level of 0.05). As expected, the analysis confirmed that eligible males were less likely than eligible females (by 75 percent) to participate. At the same time, eligible persons with a doctorate degree were found to be more likely (by 64 percent) to receive benefits, compared to eligible persons with other levels of education.

***The statistical estimation analysis for 2001 indicated that gender, being separated, age, number of children, and education had significant effects on the participation of eligible persons.***

The statistical estimation analysis for the year 2001, which corresponds to the enhanced program, indicated that the model had a good fit (pseudo  $R^2$  of 0.41). In this case, many of the variables were found to be statistically significant (and most with greater than 95% confidence). As expected, the analysis indicated that males were less likely than females (by 70 percent) to receive benefits. Respondents who said they were separated were less likely (by 42 percent) to receive benefits than those in the other marital status categories. The model associated each child under age 5 in the family with 12 percent less probability

of receiving benefits, but also associated each child age five to 17 with 8 percent greater probability. Level of education was another significant influence, as all other groups were much less likely to receive benefits than people with less than five years of elementary school or people with a degree in medicine, dentistry, veterinary medicine, or optometry (by amounts ranging from 43 percent to 72 percent).

### **4.3 Comparing Participants Before and After the Program Enhancements**

Data on the profile of recipients are also provided by the surveys of participants under the pre-2001 program and the enhanced benefits program. Although the following analysis of these data does not respond directly to a specific evaluation question, it corroborates some of the findings in Section 4.2 and provides contextual information for the analysis of impacts in Sections 5 and 6. Note that the data used here have been weighted based on response rates among population sub-groups for the surveys.

#### **4.3.1 Characteristics at the Time of the Survey**

Participants in the enhanced program and the pre-2001 program were similar in terms of gender, age and province of residence, but some significant differences in the level of education and family characteristics were noted. In particular, participants in the enhanced program were:

- More likely to have graduated from university;
- More likely to be taking maternity/parental benefits for their first child; and
- Slightly more likely to be married, living with a partner or separated.

#### **4.3.2 Labour Market Profile**

Participants in the enhanced and pre-2001 had some significant differences in their labour market profile. In particular, participants in the enhanced program:

- Tended to have higher incomes in the period leading up to their maternity/parental leave;
- Were more likely to have been in part-time jobs prior to taking leave;
- Were more likely to have been employed for less time (under two years) prior to taking leave;
- Had less overall employment experience; and
- Had slightly poorer health.



## 4.4 Use of Sickness Benefits

This section begins to address evaluation issue 12: “Does the use of sickness benefits in the context of the maternity/parental/sickness benefit plan decline after December 31, 2000?” This issue is examined further in Section 5.2.6.

The analysis presented here looks at the receipt of sickness benefits during a claim in which maternity or parental benefits were also received, based on administrative data on benefits for respondents to the participant surveys who agreed to have their survey and administrative data linked.

A smaller percent of participants received sickness benefits under the enhanced program. The analysis indicated that 4.7 percent of participants under the enhanced program received sickness benefits during their claims, compared to 7.9 percent under the pre-2001 program. Among birth mothers only, the corresponding levels were 5.0 percent and 8.5 percent.

***The average amount of sickness benefits received per week over the whole leave period declined under the enhanced program.***

Among those who received sickness benefits, the average amount received per week by participants (over the entire duration of their claims) under the enhanced program was less than under the pre-2001 program (as shown in Exhibit 16). The average sickness benefit received over the whole leave under the enhanced program was \$33, compared to the average of \$45 received under the pre-2001 program. Among birth mothers, the corresponding averages were \$31 under the enhanced program and \$45 under the pre-2001 program. Because of the extension to the parental benefits, sickness benefits may be a smaller portion of total special benefits taken by parents under the enhanced program. This is measured by averaging the total amount of sickness benefit over the total duration of EI special benefits received.

<b>Exhibit 16</b>				
<b>Average Weekly Sickness Benefits, Among Recipients</b>				
<b>Weekly Benefit</b>	<b>All Participants</b>		<b>Birth Mothers</b>	
	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
N:	258	177	256	170
\$1 to \$10	15.6	26.4	15.7	27.3
\$11 to \$25	24.3	24.2	24.5	25.0
\$26 to \$50	34.6	28.1	34.9	29.1
Over \$51	25.4	21.3	24.9	18.6
Total	100	100	100	100
Average (\$)	45	33	45	31

Source: HRSDC Benefit Data (Status Vector), for survey respondents.

## 4.5 Receipt of Family Supplement

*A slightly smaller percentage of participants received the EI Family Supplement under the enhanced program (declining from 15.3 percent under the pre-2001 program to 12.8 percent under the enhanced program).*

Under the enhanced program, 12.8 percent of participants received the EI Family Supplement which compares to 15.3 percent under the pre-2001 program. This difference should be interpreted with some caution, however. Although statistically significant, it should not necessarily be considered as evidence that the enhanced program reduced the need for the Family Supplement. For example, this evidence is also consistent with the possibility that the enhanced program attracted more people with higher incomes who would not have qualified for the supplement. An additional explanation is the declining share of EI Family Supplement claims relative to all EI claims since 1999-2000. The declining share might be due to the frozen threshold level for receiving the EI family supplement. It could be also related with the higher participation of men (higher income participants) which may have lead to a smaller percentage of claimants with the Family Supplement.

## ***5. Impacts on Recipients***

This section examines the following evaluation issues:

- Issue 3: Has extending the benefits encouraged workers to take parental leave or increased its duration, especially among low-income claimants?
- Issue 4: To what extent do the benefits provide financial support for the family?
- Issue 5.2: Are participants better able to return to their previous job?
- Issue 7: To what extent do participants work while receiving benefits?

This section also includes some analysis related to issue 1: What evidence exists that elements of the program or its design are likely to contribute to achieving its goals?

These issues are examined by exploring the effects of the enhanced benefits on duration of leaves, family finances, and the return to work. The analysis presented in this section uses data collected by the participant surveys that were augmented by administrative data on the amounts and timing of benefits received. The methods of analysis range from simple tables to advanced statistical estimation analysis (multivariate econometric methods). The advantage of using the statistical estimation methods is that some of these methods can take into account incomplete (censored) information of the length of leaves when respondents had not returned to work at the time of the survey (as discussed below). Also, these methods can examine the observed differences between participants in the pre-2001 and the enhanced programs while controlling for other factors. Therefore, these methods can provide an estimate of the effects that can be attributed to the program changes that were introduced in December 2000.<sup>7</sup>

### **5.1 Duration of Leave**

This section examines the impact of the enhanced program on duration of leaves, and responds in part of evaluation issue 3: “Has extending the benefits encouraged workers to take parental leave or increased its duration, especially among low-income claimants?” The part of issue 3 concerning whether workers actually take leaves is dealt with in Section 6. For purposes of the following analysis, participants who received the EI Family Supplement are considered to be “low-income claimants”.

#### **5.1.1 Definition of Leave**

Defining leave is crucial to the analysis, although not particularly straightforward. The participant surveys provide information on the timing of the return to work. Respondents were asked “When did you return to work or begin working out of your home on an on-going basis?” The date they reported in response to this question (77 percent of

---

<sup>7</sup> All stated differences in this section are statistically significant unless explicitly stated otherwise.

the respondents did report a date) was taken as the end of the leave. For parents who said they had returned to work but did not provide a date, other information concerning the planned date of return to work was used to infer a return date.

Leaves can outlast the period in which EI benefits are received. This would occur in cases where the parent wishes to take more time off work than the benefits will cover. It's worth emphasizing here that EI benefits can also be received after a recipient returns to work as an individual can receive parental benefits while working provided their earnings do not exceed the specified maximum level (as noted in Section 2.1). The administrative data contain several cases, around 9 percent, of parents returning to work but continuing to receive benefits. The pattern of benefits in these cases is often sporadic. This could be reflecting the needs of claimants to return to work (emergency work or financial issues) or to leave their employment temporarily (child's sickness or personal reasons).<sup>8</sup>

Taking these considerations into account, the following four types of leave and their corresponding definitions were used in this report to analyze duration of leave:

- Length of total leave: weeks from start of the EI benefit period to the date of returning to work.
- Length of paid leave: weeks within the EI benefit period during which benefits were received. This includes weeks of paid benefits beyond returning to work, but not weeks before that in which no benefits were received. For this definition, "benefits" include maternity, parental, and sickness benefits, but not regular EI benefits.
- Length of unpaid leave: weeks within the period counted by length of total leave (as defined above) but for which no benefits were received. This excludes the 2-week waiting period during which no benefits are paid.<sup>9</sup>
- Length of unpaid leave after benefits: weeks, if any, between the last week of paid leave (as defined above) and the date of returning to work.

For respondents who had not returned to work at the time of the survey, duration is defined as the time elapsed from the start of the leave to the date on which the interview occurred. Such values are described as censored meaning that the actual duration of leave would be longer than what was recorded by the survey. It should be noted that the length of paid leave is exempted from this approach because, at the time of the survey, the period elapsed following the beginning of the benefit periods of all respondents would have exceeded the maximum possible duration of the benefit period.

---

<sup>8</sup> See the section 5.2.3 on paid employment while on leave.

<sup>9</sup> Reasons for unpaid leave during the benefit period, outside the waiting period, are given in the Status Vector. Fourteen reasons are given for partial or nil benefits paid during the benefit period, but most of these (86 percent) occurred because there was either no report or part-time earnings were reported for the week.

## 5.1.2 Analysis

The following analysis compares the duration of leave for participants under the pre-2001 and enhanced programs using:

- Simple frequencies and averages of the four types of leave described above, while recognizing that the inclusion of censored (or unfinished leave) values results in an underestimate of true average duration for three of the four types of leave;
- Kaplan-Meier estimates using the concept of the survival time of the leave and treating the censored (unfinished leave) values appropriately; and
- More advanced statistical estimation (regression) analysis to examine effects of the change in benefit structure while controlling for other factors.

In the discussion of the simple frequencies and averages, the stated differences are statistically significant unless stated otherwise. Some of the statistical estimation analysis takes account of the censored duration values using the appropriate Cox regression model.<sup>10</sup>

To help interpret the results, the statistical estimation analysis also includes some standard regression analysis (using ordinary least squares (OLS) regression models). This analysis has the advantage of measuring its coefficients on the duration scale, while the Cox model estimates coefficients in a scale appropriate to the proportional hazard structure on which it is based. A weakness of the standard regression analysis, however, is that it does not properly account for the censoring of duration values among those participants who had not returned to work at the time of the survey. As the model includes variables that could themselves be affected by the program changes, the statistical estimation analysis also estimates (Cox and OLS) models that exclude these variables to obtain estimates of the overall effect.

## 5.1.3 Paid Leave

*The average length of paid leave (EI maternity/parental/sickness benefits) grew by 18 weeks for all participants and by 17 weeks for low-income claimants.*

Participants under the enhanced program had much longer paid leaves than those under the pre-2001 program. Exhibit 17 shows the number of participants by duration, with the lengths of paid leaves seeming to roughly double. Participants in the enhanced program averaged 41 weeks of paid leave over all, compared to 23 weeks for those under the pre-2001 program, a difference of 18 weeks. Corresponding figures for low-income claimants were very similar: 41 weeks under the enhanced program, 24 weeks under the pre-2001 program, for a difference of 17 weeks.

---

<sup>10</sup> A complete list of factors included in the model could be provided under request.

<b>Exhibit 17</b>				
<b>Length of Paid Leave, by Program</b>				
<b>Weeks</b>	<b>All Participants</b>		<b>Low-Income Participants</b>	
	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
N:	3,277	3,745	502	487
1 to 10	8.1	4.8	7.2	N.A.
11 to 24	15.6	9.2	14.1	15.1
25	66.9	N.A.	67.5	N.A.
26 to 49	9.4	37.6	11.2	43.3
50 or more	N.A.	47.9	N.A.	39.7
Total	100	100	100	100
Average (Weeks)	23	41	24	41

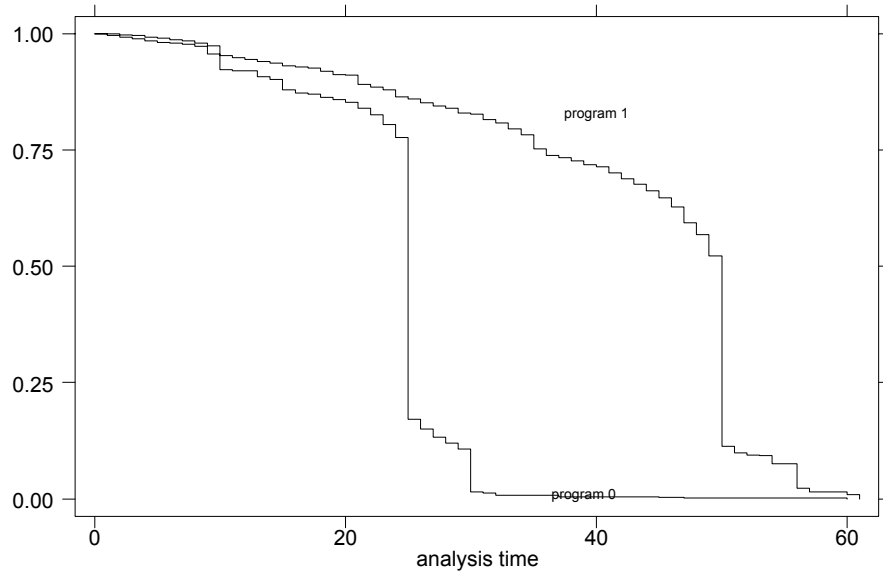
Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

***The survival analysis confirmed that the length of paid leave was significantly different under the enhanced program in the case of all participants and low-income claimants.***

The survival functions (Exhibits 18 and 19) also show clearly that many participants took the maximum weeks of benefits available under both the pre-2001 and the enhanced programs (25 weeks and 50 weeks, respectively, excluding the 2-week waiting period). The horizontal axis (labelled “analysis time”) represents duration of leave in weeks. The vertical axis represents the proportion of cases in the sample who had returned to work as of the duration of leave shown. The curves labelled program 0 and program 1 represent the pre-2001 program and the enhanced program participants, respectively. The functions reflect the benefit structures of the two programs for birth mothers, who dominate the data for this analysis. A log-rank test used to test the equality of the survival functions for the pre-2001 and enhanced programs was highly significant. These results hold for low-income claimants as well as for all participants.

### Exhibit 18 Survival Functions for Length of Paid Leave, All Participants, by Program

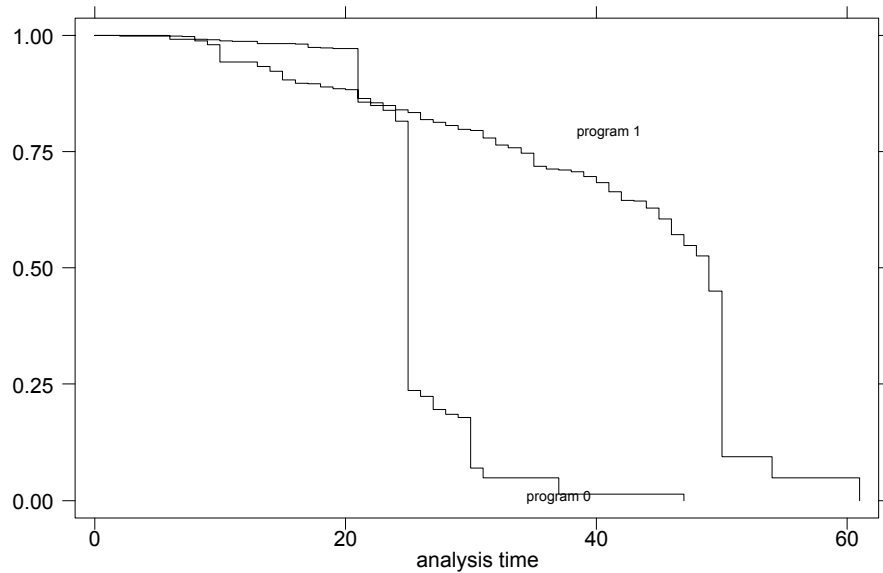
Kaplan-Meier survival estimates, by program



Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

### Exhibit 19 Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program

Kaplan-Meier survival estimates, by program



Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

***The statistical estimation analysis that takes into account the censored (unfinished leave) values indicates the enhanced program led parents to take many more paid weeks off than they would have taken under the pre-2001 program, as expected.***

The full models for paid leave show that, under the enhanced program, the additional weeks of benefits available reduce the hazard of returning to work to a statistically significant degree. The corresponding OLS model indicates a concomitant increase of 0.39 weeks of paid leave per week of paid benefits remaining at the time of returning to work. For low-income claimants, the corresponding figure is 2.93 weeks. The models show that the amount of benefit received in the week before returning to work also reduces the hazard of returning and increases the duration of the leave, at a marginal rate of 0.048 weeks per \$10 of benefit. This effect is not significant for low-income claimants, however. At the same time, leaves are 0.23 weeks shorter per week of leave remaining against the provincial standard (0.17 weeks for low-income claimants). Even after adjusting for these specific effects, however, the models indicate a very highly significant decrease in the hazard of returning, which translates into leaves that are longer on average by 22.6 weeks (22.2 weeks for low-income claimants), which is an effect that greatly overwhelms those just discussed. We conclude, therefore, that the enhanced program led parents to take many more paid weeks off than they would have taken under the pre-2001 program.

***The statistical estimation analysis confirmed the findings of the simple analysis and estimated that the length of paid leave increased by 18 weeks under the enhanced program in the case of all participants and by 16.6 weeks for low-income claimants.***

The reduced models, designed to estimate the total effect of the enhanced program, reveal a highly significant reduction in the hazard of returning to work. This translates into an extension of paid leaves by 18.1 weeks (16.6 weeks for low-income claimants), which is just slightly greater than the simple comparison of mean lengths discussed above.

#### **5.1.4 Unpaid Leave**

***The simple analysis indicates that unpaid leave decreased by an average of 7 weeks under the enhanced program in the case of all participants, and decreased by 11 weeks in the case of low-income claimants.***

Participants under the enhanced program had generally shorter periods of unpaid leave than those under the pre-2001 program. At the same time, Exhibit 20 shows that the percentage with moderately long unpaid leaves (21 to 52 weeks) was significantly higher under the enhanced program. These observations apply to low-income claimants as well.

On average, participants in the enhanced program had 13 weeks of unpaid leave, or 7 weeks less than the average of 20 weeks under the pre-2001 program, which was a significant difference. For low-income claimants, the difference was 11 weeks (i.e. 14 weeks under the enhanced program, compared to 25 weeks under the pre-2001 program). This could suggest that the enhanced program provided a more stable financial environment for low-income claimants, since they received a higher share of paid leave regarding their total leave.



**Exhibit 20**  
**Length of Unpaid Leave, by Program**

Weeks	All Participants		Low-Income Participants	
	Pre-2001 Program	Enhanced Program	Pre-2001 Program	Enhanced Program
	%	%	%	%
N:	3,277	3,745	502	487
0	15.0	16.2	16.8	13.3
1	12.5	22.1	10.4	15.1
2 to 5	21.9	21.9	19.8	26.8
6 to 20	22.2	13.9	14.7	15.3
21 to 52	8.5	21.5	12.1	25.2
53 or more	19.8	4.5	26.2	N.A.
Total	100	100	100	100
Average (Weeks)	20	13	25	14

Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

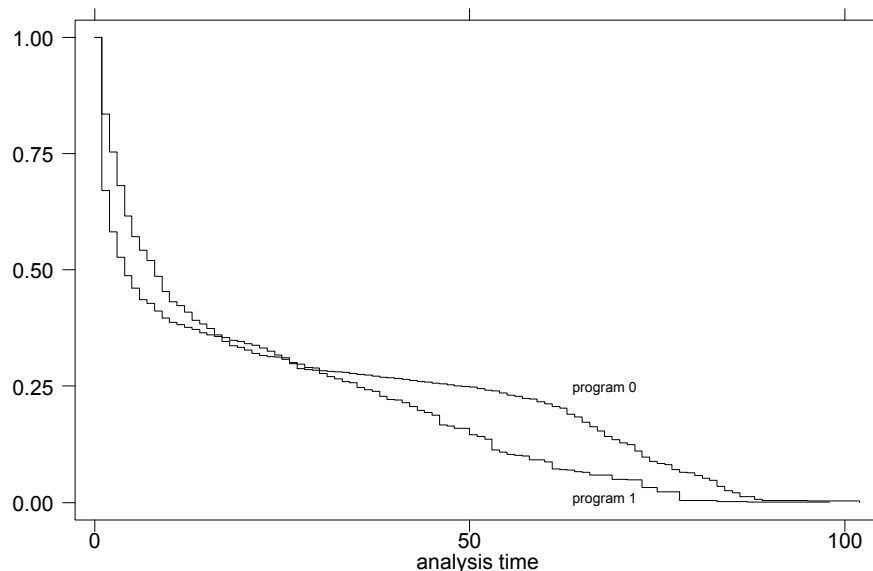
Note: Length of unpaid parental leave after Parental Benefits was defined as the difference between the week of returning to work (from the survey) and the number of weeks paid (administrative database). Part of the duration of the unpaid leave might be only due to the difference of the two data sources.

*The survival analysis confirmed that the length of unpaid leave was significantly different under the enhanced program.*

The survival functions (Exhibit 21) for all participants reflect differences mainly in the range of about 30 to 80 weeks, which is not so clearly linked to the benefit structures before and after December 31, 2000.

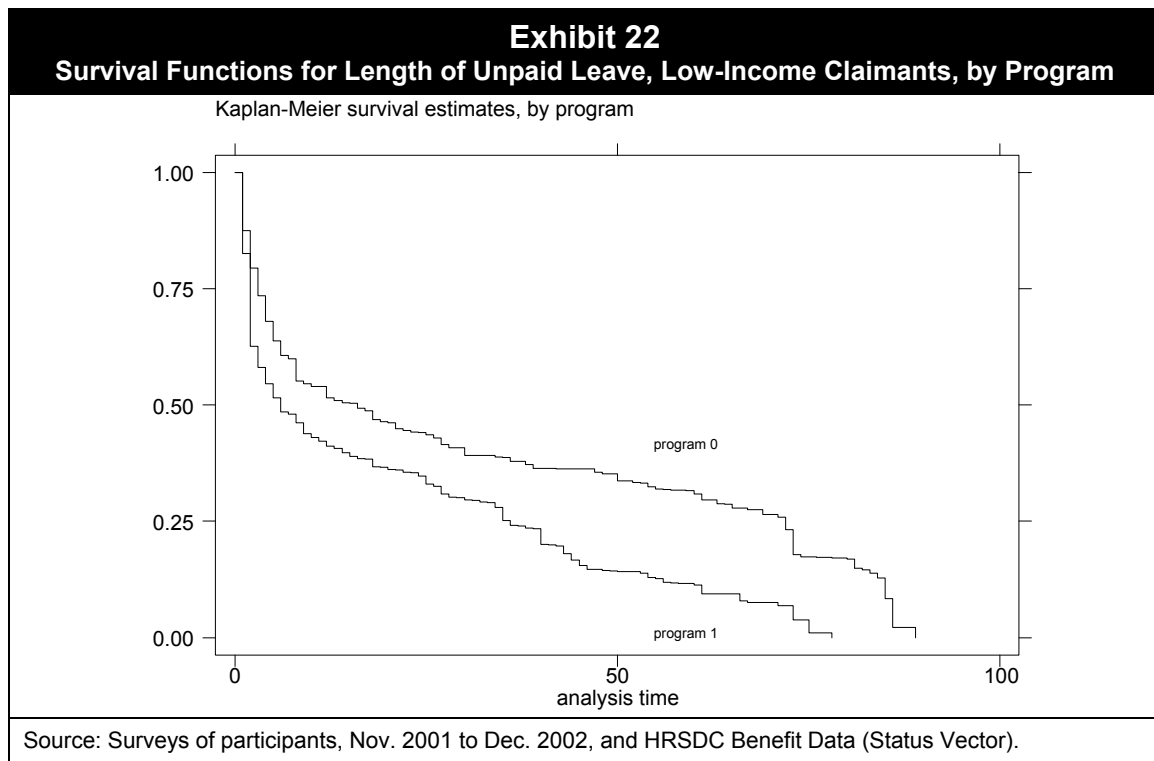
**Exhibit 21**  
**Survival Functions for Length of Unpaid Leave, All Participants, by Program**

Kaplan-Meier survival estimates, by program



Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

It should be noted that the survivor function for the enhanced program is represented by the lower curve over most of the range graphed. Also note that, even where the lines appear to cross, they are in fact just briefly touching each other. A log-rank test of the equality of the survivor functions yielded a highly significant Wald chi-square statistic, confirming the difference between the two functions.



For low-income claimants, as might be expected, the difference is more noticeable (as seen in Exhibit 22). In this case, duration of unpaid leave is clearly shorter under the enhanced program, as greater proportions of leave-takers returned to work throughout the range of times.

***The statistical estimation analysis confirmed the simple analysis and estimated that there was a decrease in the duration of unpaid leave of about 5.6 weeks in the case of all participants, and a decrease of 11 weeks in the case of low-income claimants.***

In this case, the full Cox model shows highly significant effects on both hazard and duration for all the variables related to the change in benefits but these effects are mixed in a way that makes interpretation unclear.

Looking at the reduced models, the analysis indicates an increase in the hazard and a statistically significant reduction of unpaid leaves of 5.66 weeks, somewhat less than the difference of seven weeks observed in the simple comparison of averages reported above. For low-income claimants, the average reduction in unpaid leave is estimated to be 11.4 weeks, or a fraction more than suggested by the simple analysis.

## 5.1.5 Unpaid Leave after Benefits

*Weeks of unpaid leave after benefits (i.e. weeks between the last week of paid leave and the date of returning to work) were 7.3 weeks lower for all participants in the enhanced program, and 11.4 weeks lower in the case of low-income claimants.*

Participants in the enhanced program also had shorter periods of unpaid leave after benefits than those under the pre-2001 program, as shown in Exhibit 23. The proportion with moderately long unpaid leaves (21 to 52 weeks) was significantly higher under the enhanced program. A lower percentage of low-income claimants had no unpaid leave than all participants but more had longer unpaid leaves after the end of their benefits.

<b>Exhibit 23</b>				
<b>Length of Unpaid Leave after Parental Benefits, by Program</b>				
<b>Weeks</b>	<b>All Participants</b>		<b>Low-Income Participants</b>	
	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
N:	3,277	3,745	502	487
0	17.7	21.4	20.8	30.3
1	13.6	25.9	8.6	15.2
2 to 5	21.7	16.5	19.0	13.5
6 to 20	20.1	11.8	15.3	13.7
21 to 52	7.8	21.5	10.4	23.6
53 or more	19.2	3.0	25.9	N.A.
Total	100	100	100	100
Average (Weeks)	18.5	11.2	28.8	12.4

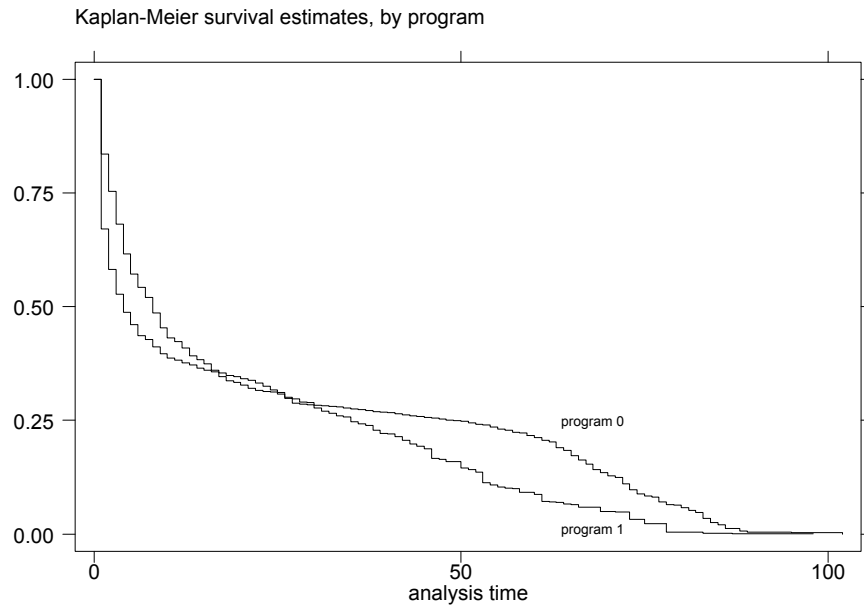
Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).  
 Note: Length of unpaid parental leave after Parental Benefits was defined as the difference between the week of returning to work (from the survey) and the last week of paid parental leave (administrative database). Part of the duration of the unpaid leave might be only due to the difference of the two data sources.

On average, participants in the enhanced program had 11.2 weeks of unpaid leave after the end of their benefits, or 7.3 weeks less than the average of 18.5 weeks under the pre-2001 program. The corresponding figures for low-income claimants are: 12.4 weeks under the enhanced program and 23.8 weeks under the pre-2001 program, for a significant difference of 11.4 weeks.

*The survival analysis confirmed that the length of unpaid leave after the end of benefits was significantly different under the enhanced program in the case of all participants and in the case of low-income claimants.*

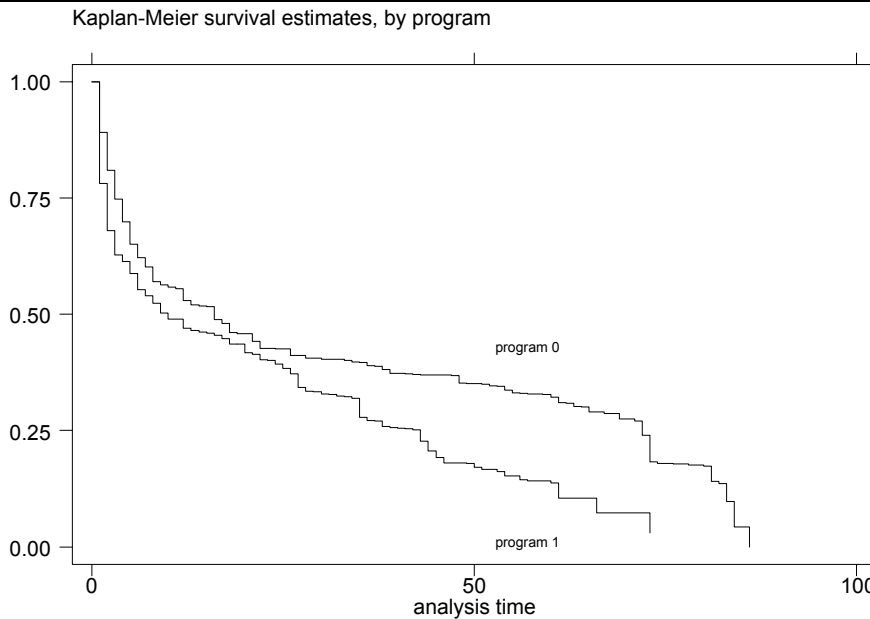
The survival functions in Exhibits 24 and 25 show differences mainly in the range of about 30 to 80 weeks for all participants and a consistent distinction for the low-income claimants throughout this range of time. Log-rank tests confirm both differences.

### Exhibit 24 Survival Functions for Unpaid Leave after Parental Benefits, All Participants by Program



Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

### Exhibit 25 Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program



Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

*The statistical analysis confirmed the conclusion of the simple analysis but estimated that there was a decrease in the duration of unpaid leave after the end of benefits by 6.3 weeks for all participants, and by 11.9 weeks in the case of low-income claimants.*

The full Cox model shows significant but mixed effects on hazard and duration for all the variables related to the change in benefits, impeding a clear interpretation. In the case of the reduced models, however, the multivariate estimation analysis indicates a statistically significant increase in hazard and reduction in duration by 6.3 weeks, or slightly less than the simple difference of 7.3 weeks reported above. The results for low-income claimants also show a significant increase in the hazard and shorter duration of unpaid leave after parental benefits, by 11.9 weeks, which is slightly higher than observed by comparing averages in the simple analysis.

### 5.1.6 Total Leave

*The average length of total leave increased by 10 weeks for all participants and by 6 weeks for low-income claimants.*

As discussed in Section 2.2, the program changes introduced on December 31, 2000 left the maximum weeks of maternity benefits unchanged (at 15 weeks) but increased the maximum length of parental benefits from 10 weeks to 35 weeks.

Exhibit 26 shows the number of participants in each category of duration. As expected, under the enhanced program, the length of total leaves tended to be longer than under the pre-2001 program. Exhibit 26 provides some evidence of the expected shift paralleling the increase in maximum weeks of parental benefits from 10 to 35 weeks. Exhibit 26 also indicates that participants under the enhanced program seem inclined to take longer leaves past the end of parental benefits, as evidenced by the greater percentage with leaves of 66 weeks or more. The pattern among low-income participants is similar to the pattern for all participants, with a definite trend toward longer leaves.

<b>Exhibit 26</b>				
<b>Length of Total Leave (Censored at Survey Date), by Program</b>				
<b>Weeks</b>	<b>All Participants</b>		<b>Low-Income Participants</b>	
	Pre-2001 Program	Enhanced Program	Pre-2001 Program	Enhanced Program
	%	%	%	%
N:	3,269	3,745	502	487
Under 27	23.8	11.4	26.1	15.5
27 to 39	43.2	10.4	32.6	9.7
40 to 52	8.8	31.7	7.3	29.4
53 to 65	2.4	22.1	N.A.	18.3
66 or more	21.8	24.4	29.5	27.0
Total	100	100	100	100
Average (Weeks)	43	53	48	54

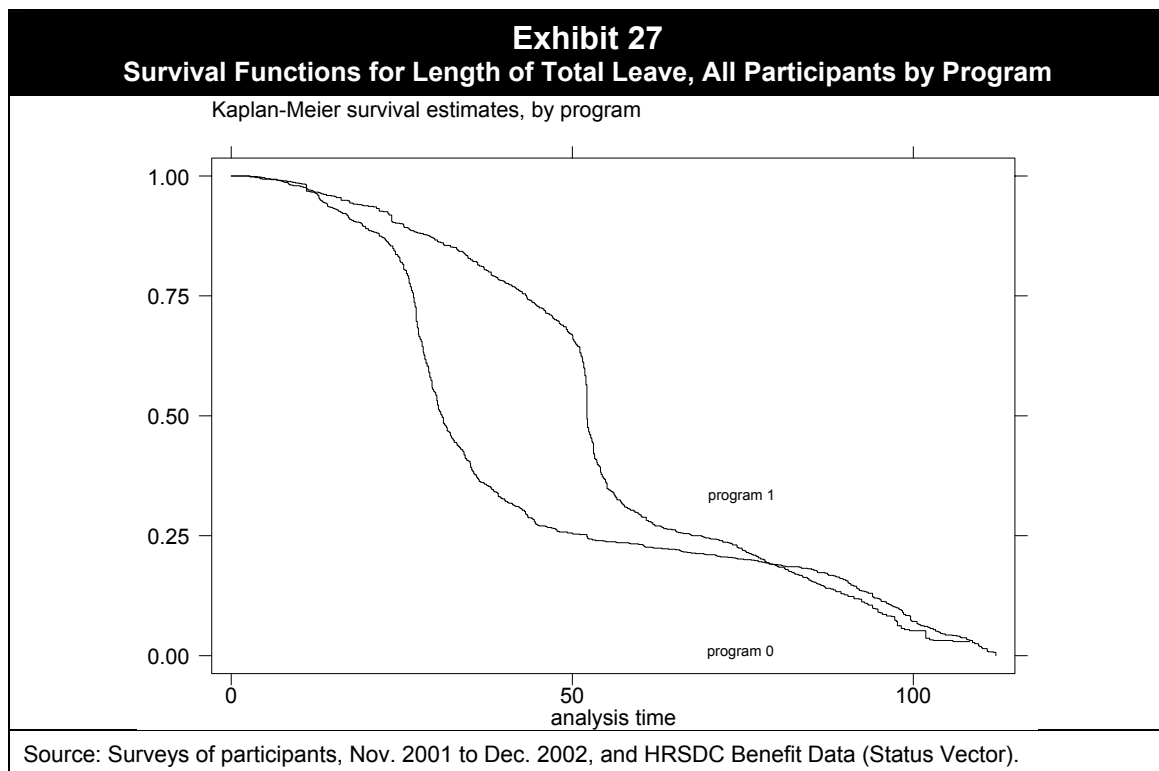
Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

Among all participants, the average length of leave was 43 weeks under the pre-2001 program and 53 weeks under the enhanced program. The corresponding averages for low-income claimants are 48 and 54 weeks, respectively.

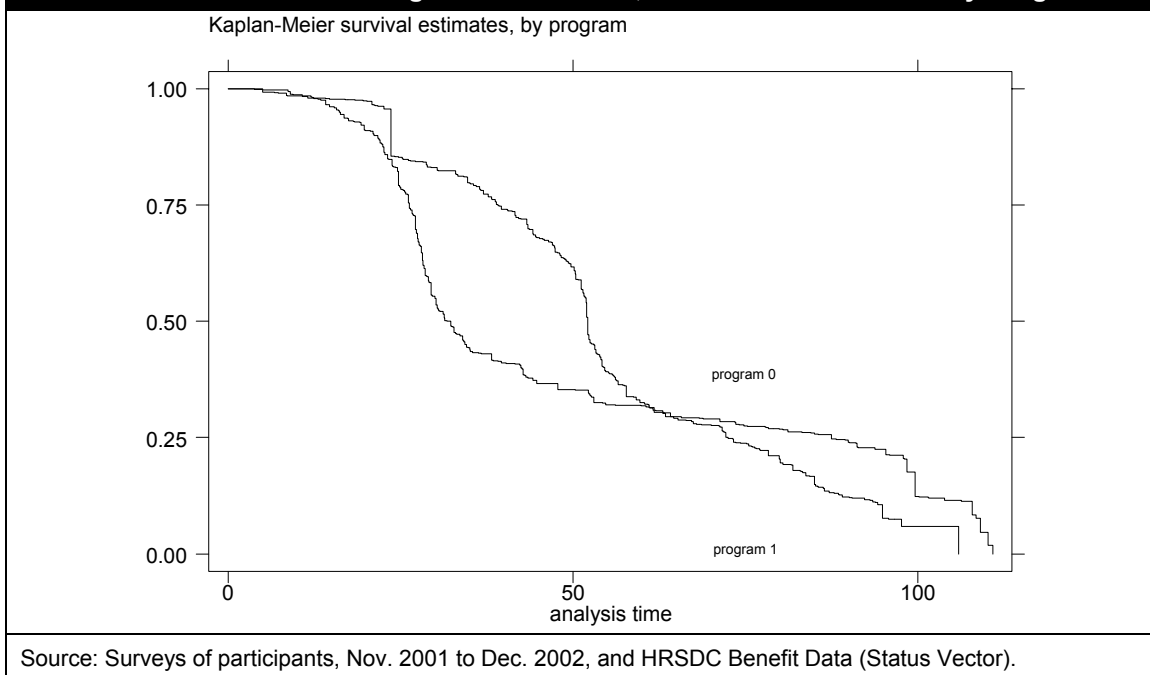
***The survival analysis confirmed that the length of total leave in the case of all participants was significantly different under the enhanced program, but not in the case of low-income claimants.***

Survival functions are compared in Exhibits 27 and 28 for all participants and low-income claimants under the pre-2001 and enhanced programs.

For all participants (exhibit 27), the curve for the pre-2001 program declines most steeply (indicating the greatest rate of return to work) around week 27, as expected. The steepest decline under the enhanced program is at about week 52. After about week 60, the two curves are similar, actually crossing at about week 80. The horizontal distance between the curves, especially noticeable between 27 and 52 weeks, represents additional leave that one might attribute to the changes in the parental benefits program.



## Exhibit 28 Survival Functions for Length of Total Leave, Low-Income Claimants by Program



The patterns for low-income claimants (shown in Exhibit 28) are about the same, except that the curves are closer together and cross earlier at about week 60. Also, the curve for the pre-2001 program stays above that for the enhanced program from that point on, indicating that, for low-income claimants, longer leaves involving unpaid time are shorter under the enhanced program than they had been under the pre-2001 program.

A log-rank test used to test the equality of the survival functions for the pre-2001 and enhanced programs yielded a highly significant Wald chi-square statistic in the case of all participants, confirming the difference between the two functions. In the case of low-income claimants, however, this test showed no significant difference between the curves. The lack of a significant difference in the case of the low-income claimants is probably due both to the smaller number of observations and to the greater similarity of the curves.

***The statistical estimation analysis that takes into account the censored (unfinished leave) values suggests that, while the program changes encouraged longer leaves, they also led leave takers to take a smaller portion of the maximum available leave than was the case under the pre-2001 program.***

For all participants, the full Cox model shows that, under the enhanced program, both the additional weeks of benefits available and the additional weeks of leave allowed under the changed provincial labour standards reduce the hazard of returning to work to a statistically significant degree. OLS models suggest that leaves are longer by one week per week of benefit unused at the time of returning to work and by 0.29 weeks per week of leave remaining against the provincial standard. The models also show that the amount of benefit received in the week before returning to work significantly increases the hazard of returning, and slightly reduces the duration of the leave, at a marginal rate

of 0.13 weeks per \$10 of benefit. This result can be interpreted as indicating that participants with high wage rates are more likely to return to work early, whereas the benefit is subject to a maximum weekly rate. After adjusting for these specific effects, the change to parental benefits is also associated with a significant overall increase in the hazard of returning. This translates into leaves that are shorter on average by 1.56 weeks. We conclude that while the enhanced program, and corresponding changes to provincial standards, encourage longer leaves, they also lead leave takers to return to work sooner (relative to the total potential length of their leaves) than under the pre-2001 program.

Repeating the above analyses for low-income claimants only, we see that the remaining weeks of leave available reduce the hazard of returning to work, but only to a degree that is not quite statistically significant at conventional levels ( $P$  value=0.073). Again, however, after adjusting for the specific effects mentioned above, as well as for other known attributes, the analysis associates the changes to parental benefits with a significant overall increase in the hazard of returning, to the extent that average leaves are shorter by 3.78 weeks. The above conclusion applies here to a greater degree: the enhanced program encourages participants to return to work sooner, relative to the total potential length of their leaves, than they would have done under the pre-2001 program.

The reduced models, designed to estimate the total effect of the enhanced program, reveal a highly significant reduction in the hazard of returning work for all participants. This translates into an extension of leaves by 11.7 weeks, which is just slightly greater than the simple comparison of average lengths (as discussed for Exhibit 26). For low-income claimants, however, the estimated effect of the program changes on the hazard of returning to work or the duration of the leave (an estimated increase of 4.8 weeks) is not statistically significant.

Overall, Section 5.1 demonstrates that participants in the enhanced program substituted 7 weeks of unpaid leave for 18 weeks of paid leave. This suggests that, on balance, the enhanced program (increasing entitlement from 10 to 35 weeks) encouraged parents to take approximately 11 weeks of extra leave. In the case of low-income participants, they substituted 11 weeks of unpaid leave for 17 weeks of paid leave. Other things being equal, sharing benefits may have induced participants in the enhanced program not to take their maximum weeks of entitlement. Some participants may also choose to take less than their full entitlement for other personal and financial reasons.

## 5.2 Financial Situation of the Family

This part of the analysis responds to evaluation issue 4: “To what extent do the benefits provide financial support for the family?” and issue 7: “To what extent do participants work while receiving benefits?” To examine these issues, this part of the analysis considers the following:

- Amounts of weekly benefits received during leave;
- Ratio of benefits to family income;
- Paid employment while on leave;



- Work-related activities or training while on leave;
- Ways of coping with lost wages and salary; and
- Receipt of sickness benefits.

### 5.2.1 Amounts of Benefits Received While on Leave

As noted in Section 2.2, individuals on maternity/parental benefits are eligible to receive 55 percent of insurable earnings to a maximum of \$413 per week (and up to 80 percent in the case of claimants entitled to the EI Family Supplement).

*The program changes had no significant effect on the average amount of weekly benefits received.*

As shown in Exhibit 29, participants under the enhanced program received almost the same amounts in weekly benefits as those under the pre-2001 program (while receiving benefits). On average, participants under the enhanced program received \$295 per week, compared to \$296 under the pre-2001 program, and none of these differences are statistically significant. One of the reasons that might explain the stable level of EI benefits is the increase of high-income claimants under the enhanced program was compensated by the increase of claimants who work while on claim.<sup>11</sup>

<b>Exhibit 29</b>		
<b>Average Weekly Benefits Received, by Program</b>		
<b>Benefit</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 7,023)	%	%
\$1 to \$200	23.2	24.5
\$201 to \$300	24.8	22.9
\$301 to \$400	23.2	23.3
Over \$400	28.8	29.3
Total	100	100
Average (Dollars)	\$296	\$295

Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).

### 5.2.2 Ratio of Benefits to Family Income

*There is no significant difference in the ratio of benefits to total family income before and after the program changes.*

To assess the extent to which the benefits provide financial support, we construct the ratio of parental benefits to total family income, which takes values between zero and one. Exhibit 30 shows that the distribution of this ratio for participants in the enhanced program differs slightly (although significantly) from that of participants in the pre-2001 program. Most notably, there is a higher percentage under the enhanced program for

<sup>11</sup> For more information on working while on claim, see section 5.2.3.

whom the benefit constituted all or nearly all of their income while on leave. A comparison of the average values of these ratios, however, shows no significant difference (0.520 for the enhanced program, *versus* 0.513 for the pre-2001 program).

<b>Exhibit 30</b>		
<b>Ratio of Parental Benefits to Family Income, by Program</b>		
<b>Ratio (rounded to nearest 10<sup>th</sup>)</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 6,343)	%	%
0.0 to 0.1	3.4	4.5
0.2	8.4	8.8
0.3	17.3	15.2
0.4	20.4	18.1
0.5	15.7	17.2
0.6	6.8	7.4
0.7	10.5	10.2
0.8	2.9	1.9
0.9	2.0	1.4
1.0	12.7	15.3
Total	100	100
Average (Ratio)	0.513	0.520
Source: Surveys of participants, Nov. 2001 to Dec. 2002, and HRSDC Benefit Data (Status Vector).		

After controlling for other factors that influence this ratio, such as number of people in the household, wage of the pre-leave job, whether the spouse was employed, gender of the respondent, receipt of top-ups from the employer, and tenure with the employer, the analysis supported finding that there was no significant difference in the ratio before and after the program changes.

### **5.2.3 Paid Employment While on Leave**

This part of the analysis focuses on evaluation question 7: “To what extent do participants work while receiving benefits?” As noted in Section 2.2, under the enhanced program, recipients of parental benefits can earn a maximum of 25 percent of pre-benefit earnings or \$50 per week, whichever is higher. Any money earned above the maximum will reduce benefits. For maternity and sickness benefits, any earnings will be subtracted dollar for dollar from the benefits.

***Participants in the enhanced program were more likely to work while on leave.***

Only 1.2 percent of participants in the pre-2001 program said they had worked, compared to 9 percent under the enhanced program. Among those who worked while receiving benefits, participants under the enhanced program tended to work fewer hours per week compared to the pre-2001 program group. In addition, 12.9 percent of participants in the enhanced program volunteered or worked without pay while receiving benefits, compared to 9.8 percent of pre-2001 program participants.

Participants under the enhanced program also tended to receive much less income from employment while receiving benefits than in the case of participants under the pre-2001 program. Those who worked while on leave under the enhanced program earned an average of \$129 per week, compared to \$233 per week under the pre-2001 program.

Statistical estimation (regression) analysis was used to control for other factors that might affect whether people worked while on leave and how much they earned. The analysis confirmed the finding that enhanced program participants were much more likely to work while on leave. While the model for the amount earned (among those who worked) suggested that participants in the enhanced program earned less per week, the difference was not significant. ( $P$  value = 0.175).

#### **5.2.4 Work-Related Activities or Training While on Leave**

*The program changes had some slight effects on work-related activities or training while on leave, with slight increases in the number of recipients taking some training or upgrading their job skills while on leave.*

Exhibit 31 summarizes the extent to which parents in the different subgroups (birth mothers, adopting mothers, and fathers) participated in various work-related activities under the pre-2001 and the enhanced program.

Overall, the work or career-related activities that parents engaged in most frequently while on leave were keeping up-to-date with activities and changes at their workplace and networking with others in their field. Close to 56 percent of participants in the pre-2001 program and 53 percent of participants in the enhanced program reported keeping up-to-date on changes at their workplace while on leave. Forty-three percent of participants in the pre-2001 program and 45 percent of participants in the enhanced program reported networking with others in their field.

**Exhibit 31**  
**Career-Related Activities While On Leave, by Program and Sample Group**

Program and Sample Group		Seriously explored alternative career goals and work options	Took a course or training session of any kind	Improved knowledge about field or upgraded job skills	Kept up to date with activities and changes at work	Networked with others in field
<b>Pre-2001 Program:</b>						
Birth Mothers	N	1,032	293	530	1,712	1,319
	%	34.2	9.7	17.6	56.9	43.9
Adopting Mothers	N	N.A.	N.A.	N.A.	31	N.A.
	%	N.A.	N.A.	N.A.	74.4	N.A.
Fathers	N	67	N.A.	N.A.	77	74
	%	29.6	N.A.	N.A.	39.9	33.8
Total	N	1,104	308	561	1,820	1,415
	%	33.6	9.4	17.1	55.5	43.4
<b>Enhanced Program:</b>						
Birth Mothers	N	1,359	458	674	1,894	1,614
	%	38.6	13.0	19.1	53.9	45.9
Adopting Mothers	N	48	N.A.	N.A.	89	49
	%	41.5	N.A.	N.A.	76.3	42.4
Fathers	N	84	39	78	103	113
	%	29.2	13.7	27.1	36.1	39.5
Total	N	1,491	524	778	2,086	1,776
	%	38.0	13.3	19.8	53.3	45.4
Source: Surveys of participants, Nov. 2001 to Dec. 2002.						
Note: Participants may have more than one career-related activity while on leave.						

Program changes appeared to have only slight effects on parents' participation in career-related activities. More parents in the enhanced program group took a course or participated in some form of training while on leave (13.3 percent, compared to 9.4 percent under the pre-2001 program). Almost one-fifth of participants in the enhanced program used part of their leave period to upgrade their job skills, compared to 17.1 percent of participants in the pre-2001 program. More than one-third of parents in both groups seriously explored alternative career goals or work options while on leave, with significant increases in the proportion of mothers.

### **5.2.5 Coping with Lost Wages or Salary**

*The two most common methods of coping with lost wages or salary were limiting the purchase of extras and using savings.*

Exhibit 32 summarizes some of the methods reported by the surveyed participants when asked what they did to compensate for lost wages or salary while on maternity and/or parental leave.

Exhibit 32 Approaches to Coping with Decreased Income, by Program and Sample Group								
Program and Sample Group		Used savings earmarked for this situation	Used savings earmarked for something else	Borrowed money to cover lost wages	Went on social assistance	Limited purchases of extras	Put off paying bills	Cut your leave time short
<b>Pre-2001 Program:</b>								
Birth Mothers	N	1,209	774	657	63	2,593	726	467
	%	40.2	25.8	21.8	2.1	86.2	24.1	15.5
Adopting Mothers	N	N.A.	N.A.	N.A.	0	35	N.A.	N.A.
	%	N.A.	N.A.	N.A.	0	85.7	N.A.	N.A.
Fathers	N	107	78	44	N.A.	170	42	32
	%	47.8	34.6	19.7	N.A.	76.5	19.0	14.5
Total	N	1,341	871	707	66	2,798	770	503
	%	41.0	26.7	21.6	2.0	85.5	23.5	15.3
<b>Enhanced Program:</b>								
Birth Mothers	N	1,276	969	660	57	2,912	827	858
	%	36.4	27.7	18.8	1.6	82.8	23.5	24.4
Adopting Mothers	N	N.A.	34	30	0	106	N.A.	40
	%	N.A.	30.2	25.4	0	91.5	N.A.	34.7
Fathers	N	174	60	59	N.A.	224	65	49
	%	60.8	21.5	20.6	N.A.	78.4	22.7	17.2
Total	N	1,479	1,064	750	62	3,243	918	948
	%	37.8	27.4	19.1	1.6	82.8	23.4	24.2
Source: Surveys of participants, Nov. 2001 to Dec. 2002.								
Note: Participants may have more than one approach to coping with decreased income.								

Limiting the purchase of extras was, by far, the most common approach used by these parents to cope with their household's drop in income (used by 85.5 percent of participants in the pre-2001 program and 82.8 percent of participants in the enhanced program). The second most common approach was to use savings that had been earmarked for this situation (used by 41 percent of participants in the pre-2001 program and 38 percent of participants in the enhanced program). Less than 2 percent of respondents reported having to rely on social assistance. More participants in the enhanced program stated they had to cut their leave short (24.2 percent) compared to participants in the pre-2001 program (15.3 percent).

## 5.2.6 Receipt of Sickness Benefits

*Statistical estimation analysis confirmed that the probability of receiving sickness benefits, and the average amount received, was lower under the enhanced program.*

Section 4.4 showed that a smaller percentage of participants under the enhanced program received sickness benefits during their leaves than under the pre-2001 program. Statistical estimation (regression) analysis of the receipt of sickness benefits, controlling for other factors, confirmed a significantly lower probability of receiving sickness benefit under the enhanced program. However, this result might change after the introduction of

Bill C-49 (which allows for the combination of sickness benefits with maternity and parental benefits up to 65 weeks). The statistical analysis also indicated that the average amount of sickness benefits received by participants in the enhanced program was \$2.35 lower than in the case of the pre-2001 program participants, after controlling for other factors. This amount, while small, is statistically significant and represents all participants, including the many who received zero sickness benefits.

### **5.3 Returning to Work**

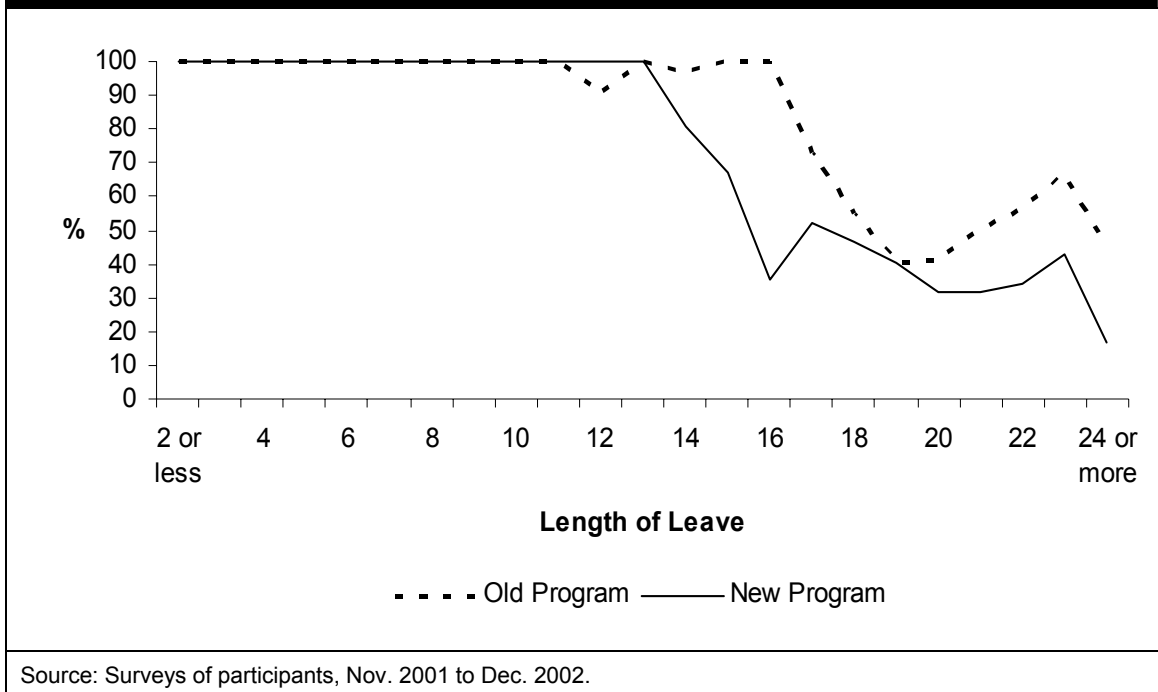
*Participants in the enhanced program were less likely to have returned to work at the time of the survey, although it should be noted that participants in the enhanced program were interviewed about 8.5 weeks earlier than those in the pre-2001 program.*

At the time of the survey, 85 percent of participants in the enhanced program had returned to work, compared to 90 percent in the case of the pre-2001 program. Exhibit 33 shows the percentage of individuals returning to work, by week. This analysis indicates that, for longer lengths of leaves, much smaller percentages of participants in the enhanced program had returned to work.

Statistical estimation (probit) analysis was also used to examine returning to work. The results support the conclusion that participants under the enhanced program were significantly less likely to have returned to work at the time of the survey. Other factors associated with greater likelihood of returning to work were as follows:

- Availability of other sources of child care;
- Respondent was in a common-law relationship before the leave;
- Employer provided supplementary benefits during leave;
- Respondent was younger;
- Longer tenure with pre-leave employer; and
- Respondent had relatively more years of working experience.

**Exhibit 33**  
**Percentage of Participants Who Had Returned to Work by Week**



### 5.3.1 Same or Different Employer

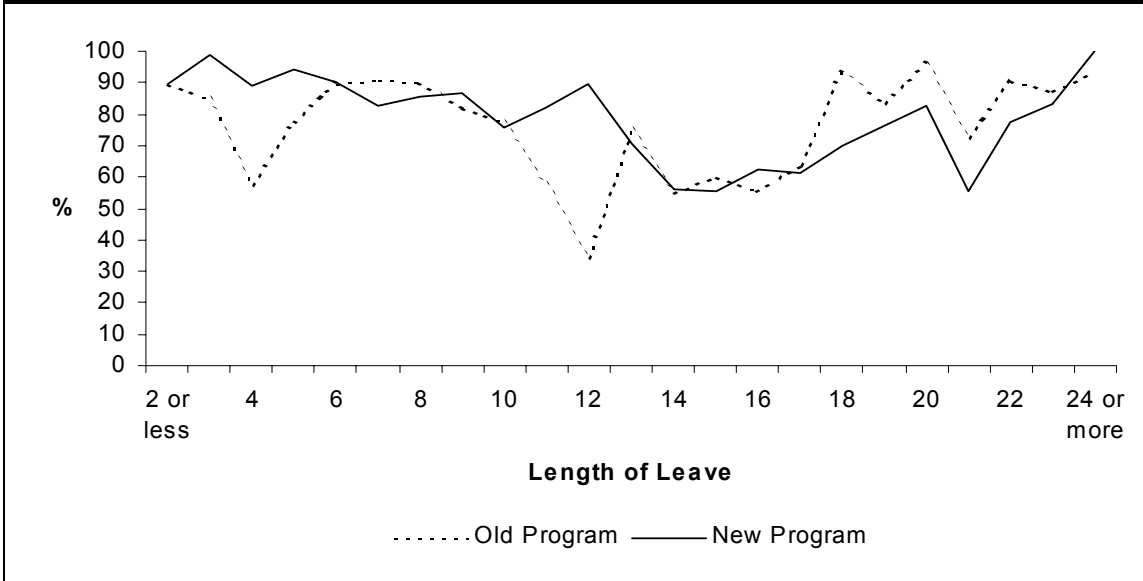
*The program changes had no significant effect, on average, on whether participants returned to their former employer.*

Over all, about 83 percent of participants return to the same employer and 15 percent to a different employer, with no significant difference between the pre-2001 and enhanced programs. The survey data suggest that the enhanced program had little effect on which category of employer participants return to. Of those who returned to the same employer, 86 percent of those under the enhanced program were still working there when interviewed, compared to 81 percent under the pre-2001 program.

*There is some evidence that, under the enhanced program, those with longer leaves might be slightly less likely to return to their former employer and those with shorter leaves might be slightly more likely to return to their former employer.*

Exhibits 34 shows the percentages of leave takers who returned to the same employers, by length of leave. The percentages of leave takers who returned to the same employers suggests that participants under the enhanced program might be slightly less likely to return to the same employer if their leaves are longer, while the reverse is true for shorter leaves, when compared to participants in the pre-2001 program.

**Exhibit 34**  
**Percentage Who Returned to the Same Employer by Week**

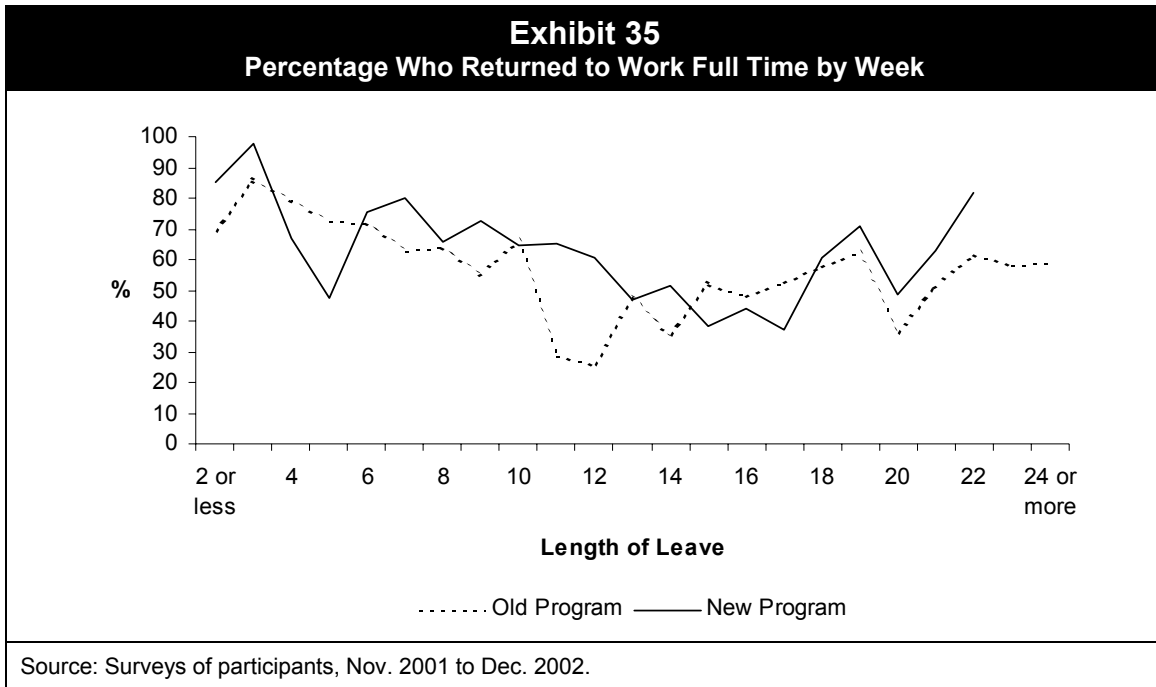


Source: Surveys of participants, Nov. 2001 to Dec. 2002.

### 5.3.2 Full-Time or Part-Time Work

Looking at individuals who had returned to work, about 39 percent of participants in the enhanced program returned to work part time, compared to about 35 percent in the case of the pre-2001 program. This difference was statistically significant. Exhibit 35 shows the percentages of leave takers who returned to work full time, by length of leave. The percentage of leave takers, over time, who returned to work full time in the enhanced program appeared to be approximately the same as the participants in the pre-2001 program.





### 5.3.3 Hours Worked Per Week

*Participants in the enhanced program are estimated to have worked about an hour less per week after returning to work, compared to those under the pre-2001 program.*

As an alternative to considering full *versus* part time, the data provided a direct look at the hours worked per week by those returning to work. The survey results support the conclusion above, that participants under the enhanced program tended to work shorter hours on their return to work, but not by much. On average, participants under the enhanced program reported working 32.0 hours a week, compared to 32.8 in the case of the pre-2001 program. This difference is statistically significant.

Exhibit 36 shows the distribution of hours worked by selected categories, and also supports the conclusion that participants in the enhanced program worked fewer hours on their return to work.

**Exhibit 36**  
**Hours Worked per Week, by Program**

Hours	Pre-2001 Program	Enhanced Program
(N = 6,207)	%	%
Less than 26	27.7	30.4
26 to 35	21.9	20.9
36 to 40	42.4	40.9
41 or more	8.0	7.8
Total	100	100

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

Using statistical estimation (regression) analysis to control for other influential factors, it is estimated that participants of the enhanced program worked 0.97 of an hour less per week than in the case of the pre-2001 program.

### 5.3.4 Wage Per Week

*Participants in the enhanced program are estimated to have earned \$27 more per week after returning to work, compared to those under the pre-2001 program.*

Over all, participants under the enhanced program earned more per week than their counterparts in the pre-2001 program (\$608 compared to \$574). This difference was statistically significant.

Exhibit 37 shows that, while relatively more participants in the enhanced program earned wages in the lowest category (under \$250 per week), there were also more of them in the highest wage category. The net effect is a higher average wage for participants in the enhanced program. Statistical estimation (regression) analysis supported the above findings. This analysis estimated that participants in the enhanced program earned \$26.60 more per week after returning to work, compared to the pre-2001 program.

<b>Exhibit 37</b>		
<b>Wage Earned per Week, by Program</b>		
<b>Wage</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 5,536)	%	%
\$1 to \$250	17.1	20.3
\$251 to \$500	35.3	32.7
\$501 to \$750	24.2	18.4
\$751 to \$1,000	15.8	16.9
Over \$1,000	7.6	11.7
Total	100	100

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

### 5.3.5 Change from Pre-Leave Wage

*On average, participants in the enhanced program are estimated to have seen their wages increase by \$6 relative to their pre-leave wage, while participants in the pre-2001 program experienced a drop of \$22.*

Evidence of higher wages must be evaluated in the context of wages earned before the leave. Therefore, the analysis also considered the change in weekly wages between pre-leave and post-leave jobs. On average, participants in the enhanced program saw their weekly wages increase by \$6, compared to a drop of \$22 in the case of participants in the pre-2001 program. This difference is statistically significant.

Looking at the distribution of changes in the weekly wage (shown in Exhibit 38) indicates that many participants in the enhanced program returned to lower-wage jobs as well. Presumably due to the longer leaves, fewer of them returned at the same wage than was the case under the pre-2001 program. The net effect, however, was an improvement in wage changes associated with the enhanced program. Statistical estimation analysis was not applied here because the model for wages in the post-leave job already accounts for pre-leave wage.

<b>Exhibit 38</b>		
<b>Change in Weekly Wage from Pre-Leave Job, by Program</b>		
<b>Change in Wage</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 5,522)	%	%
-\$3,000 to -\$201	12.9	17.8
-\$200 to -\$1	20.8	32.1
\$0	40.0	10.0
\$1 to \$200	19.0	26.1
\$201 to \$3,200	7.3	14.0
Total	100	100

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

### **5.3.6 Stress after Returning to Work**

*Participants showed slightly less stress on returning to work under the enhanced program.*

The survey measured self-reported levels of stress on returning to work, using a scale of 1 to 7. Participants in the enhanced program experienced less stress, with an average rating of 4.25, compared to 4.48 for the pre-2001 program participants. This difference, while small, is statistically significant.

The percentage breakdown by unit of stress on the scale supported the conclusion that stress was lower for participants in the enhanced program (as seen in Exhibit 39). The conclusion was also supported by the statistical estimation (regression) analysis. After controlling for other factors, the statistical estimation analysis estimated that stress levels on returning to work for participants in the enhanced program were reduced by 0.33 points on the scale, compared to pre-2001 program participants.

<b>Exhibit 39</b>		
<b>Level of Stress on Returning to Work, by Program</b>		
<b>Stress Level</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 6,202)	%	%
1=Much less stressful	4.7	4.9
2	8.0	9.0
3	17.3	20.1
4	19.2	22.6
5	21.7	20.1
6	13.0	11.9
7=Much more stressful	16.0	11.3
Total	100	100
Source: Surveys of participants, Nov. 2001 to Dec. 2002.		

## 5.4 Client Views on Program Changes

*Respondents identified both strengths and weaknesses for the enhanced program, but strengths dominated and respondents were not looking for major changes.*

The results (shown in Exhibit 40) strongly support the underlying rationale for the program and the enhancements. The main strength of the program was that it allowed them to spend more time with their child/children. A second strength was improving bonding and parent-child relationships.

<b>Exhibit 40</b>		
<b>Strengths of the Program</b>		
<b>Strength</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
More time with child	62%	56%
Improves bonding/parent child relationship	37%	30%
Nursing/breastfeeding	12%	6%
Child care related	15%	4%
Source: Surveys of participants, Nov. 2001 to Dec. 2002.		
Note: Base for percentages - All responses.		

Cross-tabulations (where sample sizes permit) show that rankings of the first two items in Exhibit 40 are very similar for groups defined by: gender, higher or lower reported monthly incomes prior to and during the leave, tenure with pre-leave employer, and duration of receipt of parental benefits.

In identifying weaknesses of both enhanced and pre-2001 programs (Exhibit 41), respondents were most likely to say they would like the program to provide a higher level of benefits. But the next most frequent unprompted response mentioned by respondents was that they perceived no weaknesses.

**Exhibit 41**  
**Weaknesses of the Program**

<b>Weakness</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
Financial-not enough money	42%	47%
No negatives-no weaknesses	14%	21%
Too long out of labour force-lose touch	14%	5%
Harder to adjust when going back/baby too attached	12%	5%
Not long enough	4%	11%
Source: Surveys of participants, Nov. 2001 to Dec. 2002. Note: Base for percentages - All responses.		

In the cross-tabulations, there were no substantial differences among groups in their responses. One exception is that a minority felt that there was a tendency to lose touch because the time out of the labour force was too long. Among those expressing this concern, women were more likely than males to say too long/lose touch (6.2 percent of male and 15 percent of female responses were in this category, under the pre-2001 program).

Survey respondents were also asked to provide suggestions for improvements to the maternity/parental benefits program. The open-end responses provided a variety of items including tax-related comments, suggestions to streamline administration and a shorter waiting period. However, there were not large numbers of responses for any of these specific suggestions. As indicated in Exhibit 42, substantial numbers of respondents for the pre-2001 program and for the enhanced program indicated that they would regard higher benefit levels as an improvement. A much smaller proportion of respondents indicated that they would like to see longer leave times under the program.

**Exhibit 42**  
**Suggestions for Improvements**

<b>Suggested Improvement</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
More money/ higher fraction of income	49%	36%
More time/longer leave	8%	16%
Source: Surveys of participants, Nov. 2001 to Dec. 2002. Note: Base for percentages - All responses.		

Although many suggestions were provided, the overall pattern of responses to this question suggests that respondents are not looking for major changes. For both the pre-2001 program and the enhanced program, more than 40 percent of respondents did not have any suggestions for improvement. This is again in contrast with the responses on program strengths where nearly all respondents provided strengths and large numbers of respondents provided multiple responses.



## *6. Impacts on Families and Children*

This section examines the following evaluation issues:

- Issue 6.1: Do participants feel that the program is useful?
- Issue 6.2: Does the program, through increased time at home, generate non-monetary benefits for parents?
- Issue 6.3: Does the program, through increased time at home, generate non-monetary benefits for children, both the newborn and others?
- Issue 5.2: Are participants better able to return to their previous jobs?

These issues are examined by exploring the effects of the enhanced benefits on:

- Maternal and child health and family well-being;
- Parents' activities and experiences while on leave;
- Parents' overall satisfaction with leave;
- Parents' preparedness to return to work after leave;
- Impacts on parenting; and
- The sharing of leave and benefits.

The analysis presented in this section uses information collected by the participant surveys. In the case of the participants in the enhanced program, most of the information regarding experiences and views on leave was obtained in late 2002, as part of the follow-up survey. The methods of analysis range from simple tables to statistical estimation (regression) analysis to assess program impacts while controlling for the effects of other factors (e.g. differences in socio-demographic characteristics among participants).

The analysis gives particular attention to parents who had returned to work by the time of the survey (89.9 percent of pre-2001 program participants and 84.9 percent of enhanced program participants), because these parents can provide a more complete picture of their views on their leave and its impacts. Birth mothers, adopting mothers, and new fathers typically have quite different roles, expectations, and patterns of leave and benefit taking. As a result, some analyses of program impacts were performed separately for these three subgroups, with birth fathers and adopting fathers often considered together, given the small number of adopting fathers in the sample.

## 6.1 Maternal and Child Health and Family Well Being

The existing literature on the impact of leave policies on the health and well being of mothers, children and families is limited and based mostly on studies in the United States. A review of the available literature conducted for this evaluation indicated that the researchers have hypothesized/suggested the following:

- Longer periods of paid parental leave (but not unpaid leave) are associated with reduced rates of infant mortality during early childhood, possibly due to an increased duration in breastfeeding and greater time investments by parents in ensuring the health of their infants and toddlers (Ruhm, 2000);
- The timing of mothers' return to employment is one of several major factors that affect breastfeeding duration. Mothers who return very early may not initiate breastfeeding or continue to breastfeed much beyond the first week after birth. Other mothers terminate breastfeeding in preparation for the return to work (usually within the month before), especially if they are returning on a full-time basis (Lindberg, 1996);
- It can take up to six months for mothers to fully recover from giving birth and the fatigue associated with the first few months afterwards;
- Mothers who require more time for recovery, who experience more difficulty after birth, or who have babies who are ill or require special care, in particular, would be expected to benefit from a longer period of paid leave. In the absence of sufficient leave, they may experience considerable distress when returning to work, or may take more unpaid time off to meet their needs;
- A few studies, using large data sets, have attempted to assess the impacts of early maternal employment on children's later behavioural development and school performance. The results of these studies have been controversial and inconsistent, in part because they often lack much information about the leave (other than length) and the circumstances faced by parents when they returned to work. The studies suggest, however, that in the American context both lower school performance and increased rates of aggressive behaviour may be associated with a very early return to work. These impacts are also associated with decreased maternal sensitivity, extensive full-day non-maternal care, and poorer quality child care arrangements (NICHD Early Child Care Research Network, 2003; Brooks-Gunn, Han, & Waldfogel, 2001).

### 6.1.1 Maternal Health at and after Birth

*The program changes had no major impact on mothers' ratings of their physical health at birth or in the first six months afterwards.*

Birth mothers rated their own physical health after giving birth and in the following six months on a scale of 1-7 (where 1 is poor and 7 is excellent). The average for mothers under each program was 5.7. About 60 to 62 percent of mothers rated their health as very good or excellent (6 or 7), while 8 percent rated their health as poor (a rating of 3 or lower).



***Birth mothers under the enhanced program were slightly less likely to seek help for depression and anxiety.***

Mothers were also asked if, at any time since the birth of their child, they had sought medical help or counselling or been treated for post-partum depression, anxiety, or personal/family problems. Birth mothers under the enhanced program were significantly less likely to seek help for depression (8.4 percent compared to 10.3 percent under the pre-2001 program), and for anxiety (11.2 percent, compared to 12.9 percent under the pre-2001 program). The observed change regarding seeking assistance for personal or family problems (16.1 percent, compared to 16.7 percent under the pre-2001 program) was not significant. These effects were observed after holding other factors constant, such as marital/couple status, household income and mothers' ratings of their child's health at birth and in the first few months. Therefore, it is possible to consider the lower rates of serious depression and anxiety difficulties to be at least partially attributable to mothers having a longer period of benefits and feeling less immediate financial pressure to return to work.

### **6.1.2 Children's Health after Birth and at the Time of the Survey**

***Parents under the enhanced program rated their child's health higher, although it should be noted that parents in each program rated their child's health quite highly.***

On a scale from 1 to 7 (where 1 is poor and 7 is excellent), parents rated their child's health at birth and in the first six months after birth as very good, averaging 6.37 for children in the case of the pre-2001 program and 6.48 in the case of the enhanced program. Summary information about children's health ratings is shown in Exhibit 43.

A significantly larger proportion of children were rated as being in poor to fair health (a rating of 1 to 3) during the first six months by parents in the pre-2001 program group (4.1 percent) than in the enhanced program group (2.9 percent). This is despite the fact that slightly more children in the enhanced program group had one or more health risks at birth (13.1 percent of the enhanced program group, compared to 11.5 percent of the pre-2001 program group). For the purposes of this study, a child was classified as having a health risk if there was a multiple birth, or if the child was born more than four weeks early, had a birth weight of less than 2.5 kilograms, or required special medical care for more than 3 days after birth.

Parents rated their child's health at the time of the survey more positively than after birth or during the first six months. At the time of the survey, parents in the enhanced program group rated their child's health as averaging 6.65, while parents in the pre-2001 program group rated their child's health as 6.56. Although small, this difference was statistically significant.

**Exhibit 43**  
**Parents' Ratings of Their Children's Health after Birth and When Interviewed, by Program**

Child's Health		After birth and during the first six months		At time of survey interview	
		Pre-2001 Program	Enhanced Program	Pre-2001 Program	Enhanced Program
1-3	N	133	110	47	38
	%	4.1	2.9	1.5	1.0
4-5	N	332	377	284	224
	%	10.2	9.9	8.8	5.9
6-7	N	2,781	3,304	2,912	3,539
	%	85.7	87.2	89.8	91.6
Mean		6.37	6.48	6.56	6.65

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Weighted data.

**6.1.3 Breastfeeding and Its Duration**

There is a substantial body of research affirming the positive contributions of breastfeeding for both infant and maternal health (Galtry, 2002). Currently, Health Canada recommends that, when possible, new mothers breastfeed exclusively for the first four months. The World Health Organization (WHO) recommends six months of exclusive breastfeeding. Mothers' responses to the participant survey provide important information about patterns and duration of breastfeeding, as well as the reasons for stopping. It should be noted that the survey did not ask about exclusive breastfeeding; some mothers who continue for longer periods do so on a supplementary basis.

*The enhanced program resulted in an increase in the duration of time that mothers breastfed their babies, increasing from an average of 28.6 weeks under the pre-2001 program to 32.1 weeks among mothers who initiated breastfeeding.*

Exhibit 44 provides summary information about the duration of breastfeeding. The average duration of breastfeeding for mothers in the pre-2001 program group was 28.6 weeks, with a median of 26 weeks. The average duration of breastfeeding among mothers who initiated breastfeeding in the enhanced program group was 32.1 weeks, with a median of 30.3 weeks. Statistical estimation analysis indicated that the enhanced program had a significant effect on breastfeeding after controlling for other factors, such as age, education, marital status, household income, occupation and geographic location.

The survey data indicated that 16.8 percent of mothers in the enhanced program group never initiated breastfeeding, compared to 14.7 percent of mothers in the pre-2001 program group – and this difference was statistically significant.<sup>12</sup> Possible explanations for this difference include differences between the two program groups in mothers' age, education, geographic distribution, and child and maternal health at birth.

<sup>12</sup> For a comparison, a study from Statistics Canada indicated that 22 percent of mother aged 15 to 49 did not breastfed their child in 1996-1997. Statistics Canada, National Longitudinal Survey of Children and Youth, 1994/95 and 1996/97, CANSIM table number 01094001.

*A larger proportion of mothers breastfed for six months or more under the enhanced program (50.6 percent compared to 43.7 percent under the pre-2001 program).*

Although the majority of mothers in both groups who initiated breastfeeding did so for at least four months (58 percent to 59 percent of each group), mothers in the enhanced program group breastfed longer (on average). As shown in Exhibit 44, significantly more mothers in the enhanced program group (50.6 percent) breastfed their babies for at least six months (the WHO standard), compared to mothers in the pre-2001 program group (43.7 percent). Statistical estimation analysis confirmed the significance of program effects in this area, after controlling for other demographic factors.

<b>Exhibit 44 Breastfeeding Patterns, by Program</b>				
<b>Breastfeeding Duration</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Did not breastfeed	443	14.7	590	16.8
Less than 4 months	807	26.7	826	23.5
4.0 – 5.9 months	451	14.9	321	9.1
6 months or longer	1,319	43.7	1,783	50.6
Total	3,020	100.0	3,520	100.0
Average (Weeks Breastfeeding)	28.6		32.1	
Median (Weeks Breastfeeding)	26.0		30.3	

Source: Surveys of participants, Nov. 2001 to Dec. 2002. All birth mothers; Weighted data.

*Mothers in the enhanced program group were less likely to say that they terminated breastfeeding specifically because they were returning to work.*

Exhibit 45 demonstrates how the length of leave relates to the length of breastfeeding. In either program group, the majority of mothers that breastfed six months or longer took at least 30 weeks of leave.

<b>Exhibit 45 Breastfeeding Duration by Length of Leave Taken, by Program</b>												
<b>Duration of Breastfeeding</b>	<b>Duration of Leave (weeks)</b>											
	<b>≤ 20</b>		<b>21-30</b>		<b>31-40</b>		<b>41-52</b>		<b>53+</b>		<b>Total</b>	
<b>Months</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
<b>Pre-2001 Program:</b>												
Never	32	16.3	204	17.0	80	12.8	N.A.	N.A.	53	13.1	394	14.7
Less than 4 months	87	43.1	320	26.6	139	22.3	54	21.6	115	28.2	714	26.6
4 to 5.9 months	35	17.6	225	18.8	62	10.0	46	18.5	57	14.1	427	15.9
6 or more months	46	23.0	452	37.6	341	54.9	127	50.4	182	44.6	1,147	42.8
Total	201	100	1,199	100	622	100	252	100	408	100	2,682	100
<b>Enhanced Program:</b>												
Never	N.A.	N.A.	68	34.0	47	18.2	171	15.2	134	12.7	437	15.9
Less than 4 months	N.A.	N.A.	53	26.7	52	20.3	260	23.1	262	24.8	647	23.5
4 to 5.9 months	53	47.6	N.A.	N.A.	N.A.	N.A.	67	5.9	97	9.2	273	9.9
6 or more months	N.A.	N.A.	49	24.9	132	51.2	631	55.9	563	53.3	1,399	50.8
Total	112	100	199	100	259	100	1,129	100	1,057	100	2,755	100

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Birth mothers who returned to work. Weighted data.

Mothers who had returned to work by the time of the survey were asked about the main reasons they stopped breastfeeding. A significantly smaller proportion of the enhanced program group said they had stopped breastfeeding because of their return to work (23.9 percent), compared to the pre-2001 program group (35.3 percent).

#### **6.1.4 Mothers' Views of the Effects of Their Leave on Maternal and Child Health**

It should be noted that the survey information on mothers' views of the adequacy of their leave was based on the full amount of time taken before returning to work. Almost 81 percent of mothers in the pre-2001 program group and 75 percent of birth mothers in the enhanced program group extended their leave beyond the benefit period, usually for a few weeks. Birth mothers who returned to work in the pre-2001 group had an average leave of 38.3 weeks (median=30 weeks), while birth mothers in the enhanced program group who returned to work took an average leave of 50.2 weeks (median=52 weeks).

*Birth mothers under the enhanced program were considerably more likely to say that the leave program allowed them sufficient time to recover from the birth, allowed time to establish regular feeding and sleeping schedules with their baby, and allowed time to relax with their baby without feeling rushed to return to work.*

Birth mothers were asked whether their leave allowed them sufficient time to recover following the birth, allowed mother and baby to establish regular feeding and sleeping schedules, and allowed them time to relax with their baby without feeling rushed to return to work. While a very large majority of mothers in both program groups felt their leave was sufficient for these purposes, mothers in the enhanced program group were much more satisfied, most saying their leave was entirely sufficient for these purposes.

Exhibit 46 indicates that about 95 percent of mothers in the enhanced program group agreed that they had sufficient time to recover from birth and for their baby to establish regular feeding and sleep schedules, with 79 percent indicating that their leave was completely sufficient for these purposes. By comparison, between 82 percent and 85 percent of mothers in the pre-2001 program group said their leave was sufficient for these purposes, with smaller majorities indicating that their leave was completely sufficient for these purposes.

Exhibit 46 also shows that 88 percent of birth mothers in the enhanced program group felt their leave period allowed them time to relax and enjoy being with their child without feeling rushed to return to work. In the case of mothers in the pre-2001 program group, however, 40 percent felt their leave was not sufficiently long for this purpose.

<b>Exhibit 46</b>							
<b>Mothers' Views of the Effects of Their Leave on Maternal and Child Health, by Program</b>							
<b>Program:</b>		<b>Yes, Completely</b>		<b>Yes, Somewhat</b>		<b>No</b>	
		Pre-2001	Enhanced	Pre-2001	Enhanced	Pre-2001	Enhanced
The period of leave allowed you sufficient time to recover after the baby's birth.	N	1,675	2,315	627	500	395	132
	%	62.1	78.6	23.2	17.0	14.6	4.5
The period of leave allowed you and your baby to establish regular feeding and sleeping schedules.	N	1,455	2,337	746	432	497	178
	%	53.9	79.3	27.6	14.7	18.4	6.0
The period of leave allowed time to relax with your baby without feeling rushed to return to work	N	900	2,000	705	598	1,089	344
	%	33.4	68.0	26.2	20.3	40.4	11.7

Source: Surveys of participants, Nov. 2001 to Dec. 2002: Birth mothers who had returned to work; weighted data.

*Mothers who experienced physical or mental health difficulties during the early months after a birth were more likely to feel that their leave was sufficient for recovery from the birth before returning to work under the enhanced program.*

As shown in Exhibit 47, 20 percent of mothers in the pre-2001 group who experienced either physical or mental health difficulties during the early months after birth said the leave was insufficient for recovery after birth, compared to 6 percent of mothers in the enhanced program group who experienced similar difficulties.

<b>Exhibit 47</b>							
<b>Maternal Physical and Mental Health as Factors Affecting Mothers' Evaluation of Whether Leave Allowed Sufficient Time to Recover After Baby's Birth, by Program</b>							
<b>Program:</b>		<b>Yes, Completely</b>		<b>Yes, Somewhat</b>		<b>No</b>	
		Pre-2001	Enhanced	Pre-2001	Enhanced	Pre-2001	Enhanced
Rated as being in poor physical health after birth or had Caesarean delivery.	N	377	706	167	109	155	61
	%	53.8	80.6	23.9	12.5	22.3	7.0
Sought assistance for depression, anxiety or personal/family problems.	N	374	554	170	195	170	60
	%	52.3	68.5	23.9	24.1	23.8	7.4
Either poor physical health or mental health concerns.	N	673	1,137	302	262	245	90
	%	55.2	76.4	24.7	17.6	20.1	6.0
No indication of poor physical health or mental health concerns.	N	1,236	1,660	371	305	186	61
	%	68.9	81.9	20.7	15.1	10.4	3.0

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Birth mothers who had returned to work. Weighted data.

## 6.2 Parents' Activities and Experiences While on Leave

To date, little has been known about what parents actually do while on leave. In this study, information was collected about the extent and sources of stress parents experienced while on leave and their participation in both community programs and work-related activities.

### 6.2.1 Parental Stress While On Leave

While being home with a newborn or newly adopted child can be rewarding and enjoyable, it can also be quite stressful, especially if parents feel isolated, have insufficient funds, or are worried about their job security. A goal of the recent program changes is to help parents better balance the demands of work and very young children.

*Participants reported experiencing less stress while on leave and receiving benefits under the enhanced program.*

Respondents were asked to rate how much tension they experienced overall while they were on leave (using a 7-point scale, which was recoded so that a higher score is indicative of more stress). The average scores for parents in the enhanced program and the pre-2001 program groups were 3.13 and 3.41, respectively (which is indicative of moderate levels of stress). Significantly lower average levels of stress during leave were reported under the enhanced program by birth mothers and by fathers (birth and adopting fathers combined).

<b>Exhibit 48</b>		
<b>Ratings of Stress Experienced While on Leave and Receiving Benefits, by Program</b>		
<b>Level of Stress While Receiving Benefits</b>	<b>Pre-2001 Program</b>	<b>Enhanced Program</b>
(N = 7,099)	%	%
1 – No stress at all	8.3	10.0
2	16.5	20.1
3	34.4	37.8
4	21.0	17.8
5	11.7	9.0
6	4.2	3.1
7 – A great deal of stress	3.9	2.2
Total	100	100
Average (Rate of Stress)	3.41	3.13
Source: Surveys of participants, November 2001 to December 2002. Weighted data.		

*The most common source of stress experienced by parents while on leave was financial.*

As shown in Exhibit 49, the largest source of stress identified by parents in all groups, but especially birth mothers, was doing without things they could afford when they were employed. This finding is consistent with the finding that the most common method of coping with lost wages and salary was limiting the purchases of extras

(see Section 5.2.5). It is also consistent with respondents' views on the strengths and weaknesses of the program (Section 5.4), where the most frequently identified weakness was that the level of benefits was not enough.

On average, compared to the pre-2001 program group, birth mothers in the enhanced program group reported experiencing significantly less stress related to doing without things they could afford when employed, feeling isolated from other adults during the day, and feeling that their job or career was restricted by family responsibilities.

The only significant differences between fathers in the two program groups pertained to overall tension and the extent to which fathers felt their job or career was restricted by family responsibilities (2.8 for fathers in the pre-2001 program group vs. 2.4 in the enhanced program group).

<b>Exhibit 49</b>										
<b>Sources of Parental Stress While on Leave, by Program and Sample Group</b>										
<b>Program and Sample Group</b>	<b>Degree to Which Factors Were Sources of Stress</b>									
	<b>Doing Without Things I Could Afford while Employed</b>		<b>Felt Isolated from Adults During the Day</b>		<b>Felt Concerned about Finding a Job in the Future</b>		<b>Felt Concerned About Job Security</b>		<b>Felt Job/Career is Restricted by Family Responsibilities</b>	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Pre-2001 Program:</b>										
Birth Mothers	3,013	4.7	3,017	3.6	3,001	2.4	3,011	2.5	2,982	3.1
Adopting Mothers	41	3.8	41	2.1	41	1.2	41	1.3	41	1.9
Fathers	222	4.1	224	3.0	222	2.2	224	2.1	222	2.8
Total	3,277	4.7	3,283	3.5	3,265	2.4	3,276	2.5	3,247	3.1
<b>Enhanced Program:</b>										
Birth Mothers	3,519	4.5	3,515	3.5	3,512	2.4	3,500	2.6	3,479	2.8
Adopting Mothers	116	4.2	116	3.1	116	1.9	116	2.4	116	2.1
Fathers	282	4.0	286	2.6	286	2.2	283	2.0	286	2.4
Total	3,919	4.4	3,916	3.4	3,901	2.4	3,899	2.6	3,882	2.8
Source: Surveys of participants, Nov. 2001 to Dec. 2002. All participants. Weighted data.										

## **6.2.2 Widening Social Networks and Participating in Community Programs**

One of the ways new parents can reduce stress and feelings of isolation and also gain access to information and support is by meeting with other new parents and/or participating in community programs. Several provincial governments have recently expanded their efforts to make programs for new parents more accessible for these purposes. Birth mothers in this study were asked about such activities.

***Birth mothers were significantly more likely to meet with other parents and to participate in community programs under the enhanced program.***

A significantly larger percentage of mothers in the enhanced program group reported widening their friendship network, compared to mothers in the pre-2001 program group

(64.2 percent and 51.9 percent, respectively). These data are shown in Exhibit 50. In both program groups, first-time mothers were more likely to engage in this activity.

Exhibit 50 also shows that significantly more mothers in the enhanced program group (45.2 percent) reported participating in one or more of the variety of programs for new parents, compared to 36.5 percent of mothers in the pre-2001 program group. The programs that were most highly attended by new mothers in both groups were recreation programs such as a mom-tot gym/swim program and family resource centres. Close to 22 percent of mothers in both program groups attended a family resource centre. In both program groups, community programs were more appealing to first-time mothers.

<b>Exhibit 50</b>								
<b>Networking and Participation in Community Programs While on Leave by Mothers, by Program</b>								
<b>Program</b>	<b>Got to Know Other Mothers/Establish Network of Friends and Support</b>				<b>Participated in Programs for New Parents and Children</b>			
	Yes		No		Yes		No	
	N	%	N	%	N	%	N	%
Pre-2001 Program	1,554	51.9	1,440	48.1	1,102	36.5	1,920	63.5
Enhanced Program	2,249	64.2	1,255	35.8	1,593	45.2	1,929	54.8

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Birth mothers who returned to work. Weighted data.

As anticipated, the length of time mothers took off from work also influenced their availability (and perhaps their interest) in participating in community programs. In both program groups, mothers who returned to work within 30 weeks of beginning their leave were far less likely to participate in a community program than those who extended their leave beyond 40 weeks (as seen in Exhibit 51).

<b>Exhibit 51</b>								
<b>Mothers' Participation in Community Programs, by Length of Leave Taken and Program</b>								
<b>Program</b>	<b>Length of Leave Taken (weeks)</b>							
	30 or Less		31-40		41-52		53 or More	
	N	%	N	%	N	%	N	%
Pre-2001 Program	441	31.5	235	37.8	126	49.9	169	41.5
Enhanced Program	67	21.5	105	40.6	544	48.2	480	45.4

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Birth mothers who returned to work. Weighted.



### 6.2.3 Selecting a Child Care Arrangement

*Parents in the enhanced program group reported no improvement in finding care for the hours they needed, finding a centre or caregiver they could trust, and finding a centre or caregiver with a vacancy.*

Exhibit 52 indicates that the program changes did not appreciably affect the extent to which most parents were ultimately successful in making child care arrangements. The majority of parents who returned to work (81 percent of the pre-2001 program group and 78 percent of the enhanced program group) reported that they were able to make satisfactory child care arrangements for their return to work during their leave period, although 58 percent of both groups reported experiencing some difficulty in the process (as shown in Exhibit 53).

<b>Exhibit 52</b>								
<b>Success in Making Child Care Arrangements While on Leave, by Program and Sample Group</b>								
<b>Program and Sample Group</b>	<b>Yes Completely</b>		<b>Yes, Somewhat</b>		<b>Yes, already in place for other child/children</b>		<b>No</b>	
	N	%	N	%	N	%	N	%
<b>Pre-2001 Program:</b>								
Birth Mothers	1,549	57.5	399	14.8	252	9.4	492	18.3
Adopting Mothers	35	85.7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fathers	97	49.3	N.A.	N.A.	N.A.	N.A.	61	30.8
Total	1,681	57.4	415	14.2	277	9.5	556	19.0
<b>Enhanced Program:</b>								
Birth Mothers	1,571	53.6	470	16.0	246	8.4	645	22.0
Adopting Mothers	70	67.6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fathers	140	53.2	31	11.6	N.A.	N.A.	77	29.2
Total	1,781	54.0	524	15.9	270	8.2	724	22.0
Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents who had returned to work. Weighted. <sup>13</sup>								

Looking more closely at difficulties in finding child care, Exhibit 53 indicates that price/affordability issues were mentioned most often (by 19 percent of each program group). Parents in the enhanced program group, who had a longer period to search for suitable child care, reported less difficulty than parents in the pre-2001 program group in finding care for the hours they needed, finding a centre or child care provider they could trust, and finding a centre or caregiver with a vacancy.

<sup>13</sup> Please note that because the numbers are weighted, they may not always add up to the total, due to rounding error.

**Exhibit 53**  
**Difficulties Finding Child Care, by Program**

Program and Sample Group		Difficulties Encountered					
		Finding care for the hours needed, flexible hours	Trouble trusting a stranger to care for my child	Finding providers/ centres that meet my standards	Finding providers/ centres with vacancies/ availability	Price/ affordability issues	No difficulties experienced
Pre-2001 Program	N	344	328	449	451	567	1,215
	%	11.7	11.1	15.2	15.3	19.3	41.3
Enhanced Program	N	281	256	258	390	634	1,417
	%	8.5	7.7	7.8	11.7	19.1	42.6

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents who had returned to work. Weighted data.

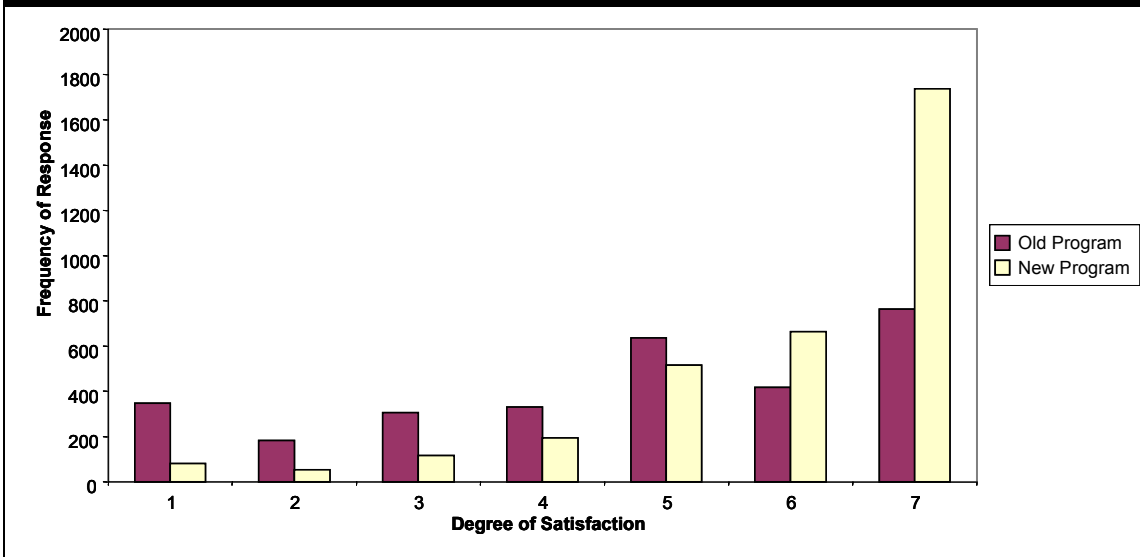
Additional analyses also revealed that parents who were more likely to report being unable to make satisfactory child care arrangements tended to be single parents, first-time parents, and parents whose monthly household incomes before benefits were \$2,000 or less, all vulnerable groups. Higher percentages of parents experiencing problems were observed among those involved in sales and marketing and in unskilled occupations. It is not known how many parents who were unable to make satisfactory child care arrangements lived in rural areas, required child care for extended hours or required child care to match work schedules involving evening or weekend work.

### 6.3 Parents' Overall Satisfaction

*Parents were more satisfied with their period of leave under the enhanced program.*

Parents who had returned to work were asked to rate their satisfaction with their period of leave, using a seven-point scale (with 1 being very dissatisfied and 7 very satisfied). Satisfaction ratings are shown in Exhibit 54 for all groups combined and by subgroups in Exhibit 55.

**Exhibit 54**  
**Survival Functions for Length of Paid Leave, Low-Income Claimants, by Program**



Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents who had returned to work at interview.

Average satisfaction scores overall and for each subgroup were considerably higher under the enhanced program (with an average score of 6.0 under the enhanced program, compared to 4.7 under the pre-2001 program). The differences between the two programs (shown in Exhibit 55) were statistically significant for birth mothers and for fathers, but not for adopting mothers.

**Exhibit 55**  
**Satisfaction with Period of Leave, by Program and Sample Group**

Program and Sample Group		Rated level of Satisfaction			
		1 to 3	4 to 5	6 to 7	Avg.
<b>Pre-2001 Program:</b>					
Overall	%	27.9	32.5	39.6	4.70
Birth Mothers	%	29.2	32.9	38.0	4.62
Adopting Mothers	%	31.1	7.9	61.1	4.72
Fathers	%	12.3	31.2	56.5	5.50
<b>Enhanced Program:</b>					
Overall	%	7.5	21.2	71.4	6.00
Birth Mothers	%	7.6	21.9	70.6	5.94
Adopting Mothers	%	13.6	23.9	62.5	5.51
Fathers	%	3.4	12.2	84.4	6.37

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents who had returned to work. Weighted Data.

## 6.4 Preparedness to Return to Work after Leave

*On average, parents felt more prepared to return to work under the enhanced program.*

Of those who had returned to work by the time of the survey, more than half (51 percent) of parents in the enhanced program felt their leave allowed them to feel completely prepared for their return to work, 34.2 percent felt somewhat prepared, and less than 15 percent felt unprepared. By comparison, about one-third (32.1 percent) of parents in the pre-2001 program group felt the period of leave they took allowed them to feel completely prepared for their return to work, 33.1 percent felt somewhat prepared, and 34.7 percent felt unprepared. Comparisons by subgroup indicate that significantly more birth mothers and fathers felt prepared for their return to work under the enhanced program (as indicated in Exhibit 56). Of the parents who indicated that they felt unprepared to return to work, the majority felt that this was because the period of leave was not long enough and their baby was too young (71 percent of the unprepared parents in the pre-2001 program group and 65.8 percent of the unprepared parents in the enhanced program group).

<b>Exhibit 56</b>						
<b>Preparedness for Return to Work as a Result of Leave, by Program and Sample Group</b>						
<b>Program and Sample Group</b>	<b>Yes, Completely</b>		<b>Yes, Somewhat</b>		<b>No</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
<b><i>Pre-2001 Program:</i></b>						
Birth Mothers	800	29.9	897	33.6	977	36.5
Adopting Mothers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fathers	114	53.7	68	31.9	31	14.4
Total	941	32.1	970	33.1	1,016	34.7
<b><i>Enhanced Program:</i></b>						
Birth Mothers	1,463	50.2	1,006	34.5	445	15.3
Adopting Mothers	50	52.6	34	36.1	N.A.	N.A.
Fathers	157	58.8	80	29.8	31	11.4
Total	1,672	51.0	1,121	34.2	486	14.8

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents who had returned to work. Weighted data.

## 6.5 Impacts on Parenting

### 6.5.1 Positive Parenting Interactions

Respondents with children under the age of two were asked how frequently they currently (i.e. at the time of the survey) engage in several behaviours: praising their child, talking and playing together with focused attention on each other for five minutes or more, laughing together, doing something special together that their child enjoys, and playing games with their child. The questions were based on a standardized measure of parenting practices and have been used in the National Longitudinal Survey of Children and Youth.

The five response alternatives were: never, once a week or less, a few times a week, one or two times a day, or many times each day. Exhibit 57 summarizes the frequency data for each type of behaviour. Because the positive interactions tended to occur frequently, data were combined for the three least frequent categories of response. The scores were also used to compute an overall scale score of positive parenting (as shown in Exhibit 58).

***Birth mothers reported slight higher levels of positive and engaging parenting with their young child under the enhanced program.***

Participants in the enhanced program group had significantly higher average scores on the positive parenting scale than parents in the pre-2001 program group (with average scores of 4.68 and 4.66 out of 5 for the enhanced and the pre-2001 programs, respectively). The differences between the two programs primarily reflected differences in scores among birth mothers. The differences in the case of adopting mothers and fathers were not statistically significant.

<b>Exhibit 57</b>						
<b>Frequency of Positive Parent-Child Interactions among Parents and their Children, by Program</b>						
<b>Parenting Behaviour</b>	<b>Pre-2001 Program</b>			<b>Enhanced Program</b>		
	<b>A few times per week or less</b>	<b>One or two times per day</b>	<b>Many times each day</b>	<b>A few times per week or less</b>	<b>One or two times per day</b>	<b>Many times each day</b>
Praise your child	1.2%	7.5%	91.3%	1.0%	8.4%	90.6%
Talk and play together with focussed attention	1.5%	16.9%	81.6%	1.5%	16.1%	82.4%
Laugh together	2.0%	7.9%	90.1%	1.4%	8.4%	90.2%
Do something special your child enjoys	19.1%	36.2%	44.7%	15.5%	38.2%	46.4%
Play games like patty-cake, peek-a-boo, etc.	8.7%	31.6%	59.7%	6.4%	31.4%	62.1%

Source: Surveys of participants, Nov. 2001 to Dec. 2002. All groups; Weighted data.

<b>Exhibit 58</b>					
<b>Average Scale Scores on Positive Parent-Child Interactions, by Program and Sample Group</b>					
<b>Sample Group</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>		<b>Statistical Significance</b>
	<b>N</b>	<b>Mean</b>	<b>N</b>	<b>Mean</b>	
Birth Mothers	2,922	4.66	3,522	4.69	P < .01
Adopting Mothers	N.A.	N.A.	82	4.68	NS
Fathers	214	4.56	284	4.61	NS
All	3,147	4.66	3,888	4.68	P < .000

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Parents whose child is under 2 years old.

The percentages in Exhibit 57 are based on all respondents, and readers are reminded that 90 percent of participants in the pre-2001 program group and 85 percent of participants in the enhanced program group had returned to work by the time of the survey. Additional analyses were done to explore whether the observed differences might be due to differences between parents who had returned to work and those who remained at home and had more opportunities to interact with their child. Analyses based only on parents who had returned to work resulted in a similar pattern of scores, with average scale scores of 4.64 for parents in the pre-2001 program group and 4.67 for parents in the enhanced program group who had returned to work. Once again, the average scale score was significantly higher for the enhanced program group, due primarily to small, but statistically significant differences in the case of birth mothers.

### **6.5.2 Pre-Literacy Behaviours**

*The evidence indicated that the program changes did not significantly increase the frequency with which parents engaged in pre-literacy activities with their young children.*

Parents were asked two questions about behaviours that are believed to help young children develop pre-literacy skills. Specifically, they were asked how frequently they read to or look at pictures or wordless picture books with their child and how frequently they sing or play music for their child. These questions used the same five response alternatives as the question on positive parenting interactions. The average pre-literacy scale score for parents in the enhanced program was 4.25 (on a scale where 1.0 indicated that these behaviours were rarely engaged in and 5.0 indicated that both behaviours were engaged in many times per day). This was similar to the average score of 4.26 for the pre-2001 program group.

### **6.5.3 Parenting Confidence and Stress**

*Birth mothers indicated a lower level of parenting stress and higher level of parenting confidence under the enhanced program.*

Parents were asked a series of questions relating to parenting stress and confidence. Parents were asked whether they strongly disagree, disagree, agree, or strongly agree with each statement - there was no neutral category. Three of the four questions pertained to general feelings of competence and energy and one specifically referred to how good a job the respondent felt she or he was doing as a parent. These four questions were selected from a well-known instrument, the Parental Stress Inventory (Abidin, 1995). A composite score, averaging responses across the four items was also examined. Exhibit 59 shows the composite score and Exhibit 60 shows the ratings that were used to develop the composite scores.

Comparisons based on the composite scores indicated that significant differences between the two program groups were largely accounted for by differences among birth mothers under the enhanced program. The same findings were obtained when analyses were conducted only on parents who had returned to work by the time of the survey.

<b>Exhibit 59</b>					
<b>Composite Scores on Statements Indicative of Parenting Confidence and Stress, by Program and Sample Group</b>					
<b>Sample Group</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>		<b>Statistical Significance</b>
	<b>N</b>	<b>Mean</b>	<b>N</b>	<b>Mean</b>	
Birth Mothers	2,998	2.93	3,518	3.00	P value < 0.00
Adopting Mothers	41	3.06	116	3.36	P value < 0.01
Fathers	224	2.99	284	3.07	NS
All	3,265	2.93	3,918	3.02	P value < 0.00

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Scores range from 1-4, with higher scores indicating more confidence and less stress. Weighted data.

<b>Exhibit 60</b>								
<b>Frequency of Agreement with Statements Reflecting Parenting Confidence and Stress, by Program and Sample Group</b>								
<b>Statement</b>	<b>Pre-2001 Program</b>				<b>Enhanced Program</b>			
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>I often feel I can't handle things very well</b>								
Birth Mothers	5.1	23.0	52.9	19.0	2.4	19.8	53.1	24.7
Adopting Mothers	0.0	16.7	61.9	21.4	0.0	16.0	51.3	32.8
Fathers	1.7	18.7	54.3	25.2	0.0	12.8	61.2	26.0
All Parents	4.8	22.6	53.1	19.5	2.1	19.2	53.7	25.0
<b>I feel like I am doing a good job as a parent</b>								
Birth Mothers	46.3	52.4	1.0	0.4	40.3	58.0	1.0	0.7
Adopting Mothers	24.4	73.2	2.4	0.0	46.2	52.1	0.0	1.7
Fathers	46.8	52.3	0.5	0.5	35.7	61.5	0.0	2.7
All Parents	46.0	52.6	1.0	0.4	40.1	58.1	0.9	0.9
<b>I have been unable to do new and different things</b>								
Birth Mothers	9.7	33.5	43.6	13.3	7.5	31.2	46.1	15.1
Adopting Mothers	4.8	23.8	57.1	14.3	1.7	17.8	29.7	50.8
Fathers	6.6	33.3	45.6	14.5	8.2	29.9	41.2	20.6
All Parents	9.4	33.4	43.9	13.4	7.4	30.7	45.2	16.6
<b>I am not as interested in people as I used to be</b>								
Birth Mothers	6.4	25.5	46.8	21.3	3.0	23.5	49.0	24.5
Adopting Mothers	0.0	14.3	50.0	35.7	1.7	4.2	51.7	42.4
Fathers	4.8	28.5	42.5	24.1	0.7	16.1	55.6	27.6
All Parents	6.2	25.6	46.5	21.6	2.8	22.4	49.6	25.3

Source: Surveys of participants, Nov. 2001 to Dec. 2002. Weighted data.

## 6.6 Sharing Leave and Benefits

As discussed in Section 2.2, the recent changes to EI parental benefits extended the length of parental benefits, combined maternity and parental benefits, and eliminated the requirement of a second 2-week waiting period when parental benefits are shared between both parents. These changes are aimed at offering parents greater flexibility in making parenting choices and sharing work and family responsibilities. Administrative reports based on EI program data indicated that the number of parental benefit claims by men increased by almost 80 percent between 2000 and 2001 (from 12,010 to 21,530). The figures also indicated that the proportion of parental benefit recipients who were fathers increased from 6.9 percent in 2000 to 10.0 percent in 2001 (HRSDC, 2002).

The following analysis uses data from the participant surveys to examine how the program changes affected the extent to which couples (married, common-law or living with a partner) share time together after a birth or adoption and share parental benefits. The analysis is done separately for male and female respondents to clarify how patterns changed for mothers and fathers under the enhanced program and to highlight those situations in which parents – fathers, particularly – take formal parental leave, rather than using vacation leave, sick leave, or time in lieu of overtime to take time off around the arrival of a new child.

### 6.6.1 Sharing Time Together – Overall Trends

*Birth-parent couples where the respondent's spouse/partner was either employed or self-employed reported similar rates of both taking time off under each program.*

To provide an overview, the following analysis looks at all couples in which the respondent's spouse/partner was either employed or self-employed when the respondent's leave began, or became employed or self-employed during the leave period. Overall, 75.1 percent of respondents in the pre-2001 program group and 72.8 percent of respondents in the enhanced program group reported that their spouse/partner took some time off related to their child's birth or adoption.

In the enhanced program group, 73.1 percent of responding mothers (i.e. mothers who received benefits) reported that their employed or self-employed spouse/partner (i.e. the child's father) took some time off work around the time of the birth or adoption, compared to 74.2 percent of responding mothers in the pre-2001 program group. In the case of responding fathers (i.e. fathers who received benefits), 85.4 percent of the enhanced program group reported that their employed or self-employed spouse/partner took time off work, compared to 94.6 percent in the pre-2001 program group. Possible reasons why fewer employed/self-employed spouses/partners of responding fathers took time off under the enhanced program are explored in Sections 6.6.2 to 6.6.5. Birth parents reported similar rates of having a spouse/partner take time off under the pre-2001 and enhanced programs (75.3 percent and 74.3 percent, respectively).



## **6.6.2 Time Off Work by Self-Employed Spouses or Partners**

This part of the analysis looked at parents who are self-employed. Although these parents may have more flexibility than employees in taking time off around the arrival of a new child, they can experience higher costs in the form of reduced business income and/or the additional expenses involved in hiring a replacement. As well, networking is often an important aspect of self-employment; contacts could be forgone if a longer leave is taken.

*Self-employed spouses/partners were considerably less likely to take time off work related to their child's birth or adoption, compared to spouses/partners who were employees.*

Under the enhanced program, less than half of self-employed spouses/partners (47.6 percent) took any time off work around the time of their child's birth or adoption, compared to 78.1 percent of spouses/partners who were employees. Both of these percentages were down a bit from their pre-2001 program levels (56.2 percent in the case of the self-employed spouses/partners, and 78.4 percent in the case of the spouses/partners who were employees). Under each program, the self-employed spouses/partners who did take time off work were somewhat more likely than employees to take more than one week off.

## **6.6.3 Time at Home for Other Reasons**

*Under each program, about 17 percent of respondents with a spouse/partner indicated that their spouse/partner was at home during the maternity/parental leave period for reasons other than the birth or adoption.*

In the case of respondents who were married, common-law or living with a partner, about 17.3 percent of each program group had a spouse/partner who was home from work at some time during the respondent's maternity or parental leave for reasons other than the birth or adoption. The most common other reason for being at home was not employed or between jobs/looking for work (34.6 percent and 31.3 percent in the case of the pre-2001 program and enhanced program groups, respectively). The list of other reasons also included working from home (25.1 percent and 18.9 percent in the case of the pre-2001 program and enhanced program groups, respectively), a seasonal work pattern (24.7 percent and 23.3 percent in the case of the pre-2001 program and enhanced program groups, respectively), and illness (16.7 percent and 22.8 percent in the case of the pre-2001 program and enhanced program groups, respectively).

While more fathers who received benefits had a spouse/partner who was home for one of the other reasons under the pre-2001 program (24.6 percent) than under the enhanced program (9.5 percent), the proportions were similar for female respondents across both programs. There were some gender differences in the reasons for being at home. Under both programs, responding fathers were more likely to indicate that their spouse/partner

was home because of unemployment than for one of the other reasons. Although unemployment was also the most common reason given by female respondents, they were more likely than the male respondents to indicate that their spouse/partner was home because of illness.

#### **6.6.4 Time Off Work by Employed Spouses or Partners**

Of particular interest from a policy perspective is leave taking and benefit-sharing in the case of couples who both work for an employer, because this group is affected by labour legislation and workplace practices. This part of the analysis focuses on these dual-earner couples and defines them as couples in which the spouse/partner of the respondent receiving parental benefits was either employed or on maternity/parental leave when the respondent's leave began, plus couples in which the spouse/partner became employed during the leave period. Using this definition, dual-earner couples accounted for 83.1 percent of all participating couples in the pre-2001 program group and 86.3 percent of all couples in the enhanced program group.

*Looking at dual-earner couples, there was no change in the percentage of spouses/partners who took time off around the arrival of a child under the enhanced program.*

In the case of dual-earner couples, the proportion of parents who reported that their spouse/partner took some time off work relating to the birth or adoption was about the same before and after the program changes. Under the enhanced program, 76.1 percent of responding mothers and 91.9 percent of responding fathers reported that their spouse/partner took some time off around the time of the birth or adoption. The comparable proportions of spouses/partners who took time off under the pre-2001 program were 76.7 percent for responding mothers and 97.4 percent for responding fathers.

*More than half of the male spouses/partners took leaves of 1 to 7 days under the enhanced program, although the percent taking more than a month increased to 12.9 percent (up from 4.5 percent under the pre-2001 program).*

Exhibit 61 summarises details regarding the length of time spouses took off from work under the pre-2001 and enhanced programs, and illustrates differences in leave taking patterns among mothers and fathers.<sup>14</sup> The majority of spouses/partners who were mothers took more than two months of leave, although this group dropped to 78.6 percent under the enhanced program from 89.3 percent under the pre-2001 program.

By contrast, the majority of the spouses/partners who were fathers took one to seven days of leave, although this group dropped from 70.6 percent under the pre-2001 program, to 58.3 percent under the enhanced program. At the same time, 23.8 percent of the spouses/partners who were fathers took 8 to 14 days off work in the case of the enhanced program (compared to 19.2 percent in the case of the pre-2001 program and 12.9 percent took over 31 days (compared to 4.5 percent in the case of the pre-2001 program).

---

<sup>14</sup> Only the respondent's sex was collected in the survey on which these findings are based. Consequently, it is not known how many and which couples had same-sex partners. In order to simplify the writing, spouses/partners of responding fathers may be referred to as mothers and spouses/partners of responding mothers may be referred to as fathers.

*There appears to be some evidence of an increase in the sequential timing of leaves under the enhanced program, although most dual-earner couples continued to choose to take time off together around the birth or adoption.*

Current benefit structures appear to be more in line with the idea of enabling sequential leave-taking as a way of sharing leave, while offering a lengthy total benefit period. The data indicate, however, that dual-earner couples tend to choose to spend time off together around the birth or adoption.

Under both programs, the majority of spouses/partners who took time off work did so during the time that the responding mother was on maternity or parental leave. As shown in Exhibit 61, 71.3 percent of responding mothers under the enhanced program said that their spouse's leave occurred while they were home on leave, as did 74.3 percent of mothers under the pre-2001 program. The slightly lower proportion in the case of the enhanced program group could indicate an increase in the sequential timing of leaves between spouses or partners under the enhanced program.

Spouses/partners of male respondents evidenced quite different patterns under the two programs. Under the enhanced program, two thirds of these couples (67.8 percent) took time off together. Under the pre-2001 program rules, however, less than one-third (32.7 percent) of male respondents who received parental benefits reported sharing the same time off with their spouse/partner. These results suggest that the timing of when spouses/partners take leave is an area for further consideration.

<b>Exhibit 61</b>				
<b>Proportion of Employed Spouses or Partners Who Took Time Off Work and Length of Leave Taken, by Gender and Program</b>				
<b>Group and Leave Circumstance</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
<b>Spouses or Partners of Female Respondents:</b>	2,452	100.0	3,005	100.0
Took time off work related to birth or adoption	1,881	76.7	2,287	76.1
Length of time taken				
1-7 days	1,326	70.6	1,324	58.3
8-14 days	360	19.2	540	23.8
15-30 days	105	5.6	112	4.9
> 30 days	86	4.5	294	12.9
Time taken was during the respondent's leave	1,395	74.3	1,624	71.3
<b>Spouses or Partners of Male Respondents:</b>	97	100.0	163	100.0
Took time off work related to birth or adoption	94	97.4	150	91.9
Length of time taken				
1-7 days	N.A.	N.A.	N.A.	N.A.
8-14 days	N.A.	N.A.	N.A.	N.A.
15-30 days	N.A.	N.A.	N.A.	N.A.
> 30 days	82	89.3	121	86.5
Time taken was during the respondent's leave	31	32.7	101	67.8

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

Further analyses compared leave-taking by spouses/partners related to births under the two programs. The analyses presented here are limited to fathers (spouses/partners of female respondents), since numbers were too small for reliable comparisons for all groups.

***There was no change in the proportion of female respondent’s spouses/partners who took some leave related to the birth of a child under the enhanced program.***

Exhibit 62 illustrates that there was no difference between program groups in the proportion of female respondents’ spouses/partners who took some leave related to their child’s birth.<sup>15</sup> Under both programs, close to 77 percent of employed spouses/partners took some time off work for a birth.

Looking at the length of time the employed spouses/partners of female respondents took off work, Exhibit 62 shows that 11.5 percent took more than 30 days for the birth of their child under the enhanced program (up from 4.5 percent under the pre-2001 program).

<b>Exhibit 62</b>				
<b>Proportion of Employed Spouses/Partners of Female Respondents Who Took Time Off Work and Length of Leave Taken, for a Birth, by Program</b>				
<b>Group and Leave Circumstance</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Birth:	2,423	100.0	2,904	100.0
Took time off work related to birth	1,865	76.9	2,223	76.6
Length of time taken				
1-7 days	1,320	71.0	1,315	59.5
8-14 days	353	19.0	529	24.0
15-30 days	102	5.5	108	4.9
> 30 days	84	4.5	255	11.5
Time taken was during the respondent’s leave	1,386	74.5	1,603	72.3

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

### **6.6.5 Differences in How Leave is Taken by Spouses or Partners**

***The proportion of spouses/partners who took time off as parental leave increased under the enhanced program.***

Under the enhanced program, parental leave was used (either alone or in combination with other options) by a greater proportion (26.7 percent) of the spouses/partners of female respondents who took time off work around a birth or adoption (compared to 16.9 percent under the pre-2001 program). For the spouses/partners of male respondents, the proportion that took time off as parental leave increased from 43.9 percent under the pre-2001 program to 81.9 percent under the enhanced program.

<sup>15</sup> The number of observations for employed spouses/partners of female respondents who took time off work for an adoption was insufficient to provide a breakdown of the duration of leave (which has been shown for births in Exhibit 64).

Exhibit 63 also shows that the most common method used by most spouses/partners to take some time off work, other than parental leave, is vacation time. This is especially true for the fathers (i.e. the spouses/partners of female respondents). Under the enhanced program, 62.8 percent of the fathers used vacation time (either alone or in combination with other options), down somewhat from 68 percent under the pre-2001 program.

<b>Exhibit 63</b>					
<b>How Leave is Taken by Spouses/Partners, by Sex of Respondent and Program</b>					
<b>Sample Group</b>		<b>Sick days</b>	<b>Vacation</b>	<b>Time in lieu of overtime</b>	<b>Parental Leave</b>
<b>Pre-2001 Program:</b>					
Female Respondents	N	196	1,249	314	310
Female Respondents	%	10.6	68.0	17.2	16.9
Male Respondents	N	N.A.	N.A.	N.A.	37
Male Respondents	%	N.A.	N.A.	N.A.	43.9
<b>Enhanced Program:</b>					
Female Respondents	N	233	1,413	466	593
Female Respondents	%	10.4	62.8	21.1	26.7
Male Respondents	N	N.A.	30	N.A.	121
Male Respondents	%	N.A.	20.5	N.A.	81.9
Source: Surveys of participants, Nov. 2001 to Dec. 2002. Type of leave as reported by respondent.					

### 6.6.6 Sharing Benefits

*The proportion of dual-earner couples that shared benefits more than doubled under the enhanced program, increasing from 8.1 percent to 18.5 percent.*

Under the enhanced program, 18.5 percent dual-earner couples reported that they shared benefits, compared to 8.1 percent under the pre-2001 program (as shown in Exhibit 64).

<b>Exhibit 64</b>				
<b>Dual-Earner Couples Who Shared Parental Benefits, by Sex of Respondent and Program Group</b>				
<b>Sample Group</b>	<b>Pre-2001 Program</b>		<b>Enhanced Program</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Female Respondents	148	6.0	464	15.5
Male Respondents	58	62.1	119	73.3
All Respondents	206	8.1	583	18.5
Source: Surveys of participants, Nov. 2001 to Dec. 2002.				

***There are three common reasons for sharing benefits: belief that both parents should be involved in child's formative stage, financial, and needed to return to work or request by their employer.***

When asked about their primary reason for sharing benefits, the most common reason given by both male and female respondents was their belief that both parents should be involved in a child's formative stages. The proportion of parents who gave this reason was considerably higher among parents under the enhanced program (83.5 percent of male respondents under the enhanced program, compared to about 58 percent of male respondents under the pre-2001 program).

The second most common reason for sharing parental benefits was financial which was given by 25.7 percent of male respondents under the enhanced program, down from 42 percent under the pre-2001 program. This reason was also given by 27.9 percent of responding mothers under the enhanced program, up from 23.8 percent under the pre-2001 program.

The third most common reason for sharing benefits was because they needed to return to work or their employer requested that they do so. In this case, there was a substantial drop in the proportion of responding females indicating that they shared parental benefits with their spouse/partner because they needed to return to work or because their employer requested their return (12.2 percent under the enhanced program, down from 22.4 percent under the pre-2001 program).

### **6.6.7 Regional Differences in Leave-Taking and Benefit-Sharing**

***Although there was little overall change in the proportion of employed spouses/partners taking time off under the enhanced program, this proportion increased in Ontario and British Columbia.***

As indicated in Exhibit 65, the proportion of employed spouses/partners of both sexes taking time off work around the arrival of a new child was 76.9 percent under the enhanced program, compared to 77.5 percent under the pre-2001 program. In the case of most of the regions, the proportion of employed spouses/partners taking time off declined under the enhanced program (as shown in Exhibit 65). The two exceptions were Ontario with an increase from 74.2 percent to 77.3 percent and British Columbia with an increase from 75 percent to 80.5 percent.

**Exhibit 65**  
**Spouses or Partners Who Took Time Off Around the Birth or Adoption,  
and Length of Leave, by Region and Program**

Region		Pre-2001 Program		Enhanced Program	
		Took time off following birth or adoption	Took 1-7 days off if leave taken	Took time off following birth or adoption	Took 1-7 days off if leave taken
Atlantic	N	114	83	127	80
	%	69.5	72.8	62.5	63.5
Québec	N	518	358	730	389
	%	85.5	70.0	77.7	53.4
Ontario	N	802	528	928	509
	%	74.2	65.9	77.3	55.8
Prairies	N	338	235	375	220
	%	79.6	70.3	78.1	59.9
British Columbia	N	204	121	275	133
	%	75.0	59.6	80.5	48.5
Total	N	1,976	1,326	2,436	1,331
	%	77.5	67.4	76.9	55.2

Source: Surveys of participants, Nov. 2001 to Dec. 2002.

Base: Couples where both were working for an employer when respondent's leave began.

***The proportion of employed spouses/partners using parental leave to take time off increased overall under the enhanced program.***

Under the enhanced program, 30.1 percent of spouses/partners (of both sexes) who took time off did so as parental leave (as shown in Exhibit 66). Looking across the regions, Quebec had the highest proportion of these spouses/partners using parental leave (at 52.7 percent), with proportions in other regions ranging from 19.7 percent in Ontario to 24.7 percent in British Columbia. By comparison, under the pre-2001 program, 18.1 percent of employed spouses/partners (both male and female) who took time off used parental leave (with the regions ranging from 8.7 percent in Ontario to 41.7 percent in Quebec).

The differences among the regions appear to reflect several factors. For example, British Columbia and Quebec are two of the three provinces that have no minimum eligibility requirement for previous employment with the same employer prior to taking job-protected parental leave under their employment standards legislation, which may partially explain the higher rates of leave-taking by spouses or partners, longer leaves, and the use of parental leave as the means to take time off. This explanation is especially plausible in Quebec, where support for young families has played a key role in the Government of Quebec's family policy.

Under the enhanced program, 18.5 percent of dual-earner couples shared benefits. Across the regions, the percentages ranged from 14.8 percent in Prairies to over 21 percent in Quebec and British Columbia. Once again, employment patterns and policy parameters, among other factors, are likely to account for these observed differences.

**Exhibit 66**  
**Proportion of Spouses or Partners Who Took Parental Leave, and Shared Parental Benefits, by Program and Region**

Region		Pre-2001 Program		Enhanced Program	
		Took parental leave from work	Shared EI Parental Benefits	Took parental leave from work	Shared EI Parental Benefits
Atlantic	N	N.A.	N.A.	N.A.	N.A.
	%	N.A.	N.A.	N.A.	N.A.
Québec	N	208	85	377	203
	%	41.7	14.1	52.7	21.6
Ontario	N	68	79	178	215
	%	8.7	7.3	19.7	17.9
Prairies	N	33	N.A.	70	63
	%	10.2	N.A.	21.1	14.8
British Columbia	N	N.A.	N.A.	65	75
	%	N.A.	N.A.	24.7	22.1
Total	N	345	206	714	583
	%	18.1	8.1	30.1	18.5

Base: Couples where both spouses/partners were working for an employer when respondent's leave began and in which the spouse/partner took some time off work related to the birth or adoption.

Source: Surveys of participants, Nov. 2001 to Dec. 2002.



## ***7. Impacts on Employers***

This section examines evaluation issue 10: How are employers affected by the enhanced parental benefits? This issue is examined by exploring employers' experiences with parental benefits and their views on the program changes.

The analysis presented in this section draws from the data collected by the survey of employers that was conducted in early 2002. Out of responding employers, 82 percent were in the private sector, 8 percent were not-for-profit, 8 percent were in the public sector, and 2 percent gave no response. The over-sampling of the private sector reflected the intent of the evaluation to capture the full range of possible employer concerns, which were expected to be greater in the case of the private sector.

Further details on the characteristics of the employers in the survey sample and the characteristics of their employees are provided in the technical report, *Results of the Employer Survey*.

### **7.1 Respondents' Experience with Parental Benefits**

***Sixty percent of all the surveyed employers were familiar with the provisions of the enhanced parental benefits program at the time of the survey.***

Sixty percent of all of the surveyed employers were familiar with the provisions of the enhanced parental benefits program when the survey was conducted in early 2002. The percentage was lower (56 percent) in the case of the surveyed private sector employers. This implies that nearly half of the surveyed private sector employers were not familiar with the enhanced benefits at the time of the survey.

***Most employers reported that only a small number of their employees had taken leave since the enhanced program came into effect on December 31, 2000.***

The following data on individuals taking leave are based on responses from 339 employers who had at least one employee who had taken maternity or parental leave. In total, employers reported the following:

- 1,357 employees had taken leave;
- 644 employees had returned from leave;
- 639 employees were still on leave but were expected to return;
- 64 employees were not expected to return (with non-response accounting for the remaining 10 employees).

***Among employers providing additional benefits, 17 percent reported extending the duration of their top-up as a result of the introduction of the enhanced benefits.***

The survey data indicates that the provision of “top-ups” to employees on maternity leave is common in the public sector (68 percent) and infrequent in the private sector (9 percent). Twenty-two percent of not-for-profit employers provide supplements to EI for employees on maternity leave. Top-ups to employees on parental leave is less common in all sectors than for employees on maternity leave (public sector: 27 percent, not-for-profit sector: 11 percent, and private sector: 3 percent). Of participants who indicated receiving a top-up, around 18 percent received a top-up less than \$100 per week, 34 percent between \$100 and \$249 per week, 27 percent received between \$250 and \$499 per week, and 21 percent received over \$500 per week. There was no significant change in the level of top-up before and after the program changes.

In the case of the surveyed employers that did provide a top-up, the extent of the top-up varied considerably. Among the employers providing a top-up, however, 55 percent reported supplementing benefits to more than 75 percent of the employee’s salary.

In the case of employers providing a top-up, the survey also indicated that 17 percent reported extending the duration of the top-up as a result of the enhanced parental benefits program. Extending the top-up and specifically extending it for the full duration of parental benefits was much more common in the public sector than in the private sector. An internal monitoring study<sup>16</sup>, based on participants survey results and EI administrative results, had indicated that employees who received a top-up were 5.4 percent more likely to stay on leave more than 11 months than employees who did not receive a top-up from their employers after the program changes. A similar impact has been found for the pre-2001 program.

***When asked about the impact of the enhanced parental benefits on a number of key indicators (e.g. profitability, growth, ability to retain existing workers), most (65 to 77 percent) of the surveyed employers reported that the program changes had no impact in these areas.***

The survey asked employers to comment on a list of potential impacts of the parental benefits program. The rating scale went from a strong negative response to a strong positive response. The rating schedule and responses are summarized in Exhibit 67, and the full set of responses for all respondents can be found in the technical report *Results of the Employer Survey*.

Exhibit 67 shows that the “no impact” response was provided by most (65 percent to 77 percent) respondents for each of the four questions. For profitability and growth, the three negative categories outweigh the three positive categories, indicating a small negative overall rating. In the case of attracting new workers and retaining key employees, however, the positive responses slightly outweigh the negatives, indicating a small positive overall rating.

---

<sup>16</sup> Monitoring report for the Monitoring and Assessment Report 2003, Selected Highlights for EI Parental Benefits, Audit and Evaluation, October 2003.

<b>Exhibit 67</b>				
<b>Impacts on Employers (% of Private Sector Respondents)*</b>				
	<b>Profitability</b>	<b>Growth</b>	<b>Attract New Workers</b>	<b>Retain Employees</b>
Strong negative	7%	5%	4%	3%
Moderate negative	5%	3%	2%	2%
Slight negative	11%	9%	4%	5%
Neutral	70%	77%	76%	65%
Slight positive	4%	3%	7%	9%
Moderate positive	1%	2%	4%	10%
Strong positive	2%	3%	4%	7%

Source: Survey of employers.  
 \*Note that employers were asked about actual or anticipated experience with the New Program.

The rating scale shown in Exhibit 67 can be summarized using an average score approach which presents the results compactly. The average score approach uses the following numerical rating scale: Strong negative (-3); Moderate negative (-2); Slight negative (-1); Neutral (0); Slight positive (+1); Moderate positive (+2); and Strong positive (+3).

This conversion of the responses gives a scale that ranges from +3 to -3. That is, if all responses were +3, the average would be +3. To make the measure easier to interpret, it was re-scaled to vary from -100 to +100. Note that if there are many neutral (0) responses, then the average score on this index will tend to be relatively close to zero.

The average score approach was applied to the responses given by the private sector employers. The not-for-profit and public sector responses were generally – but not always – more positive than the private sector.

The fourteen detailed indicators shown below were used to rate the potential impact of the enhanced parental benefits on employers.

- Ability to recruit replacement workers;
- Employee productivity;
- Absenteeism;
- Turnover;
- Employee career advancement;
- Employee morale;
- Training;
- Administrative costs;
- Benefit plan costs;
- Costs of hiring/training;

- Record keeping;
- Determining eligibility;
- Complying with return to work employment standards; and
- Cost savings.

*For the private sector, the analysis showed that the impact of the enhanced benefits program was quite limited in most areas, although with some effects in the areas of employee morale, benefit plan costs and the costs of hiring/training.*

The range of scores for these indicators was from -4 to +22. Since the scale varies from -100 to +100, the overall conclusion is that the impacts of the enhanced parental benefits program are relatively limited for these variables. The dominant response class is neutral. The scores, therefore, represent the balancing of the positive and negative scores around the zero neutral score. For many variables, these plus and minus items come close to offsetting each other. That is, the overall reaction is very close to neutral (no impact). The only variables from the list above that exceeded a score of 10 (either negative or positive) are:

- Employee morale: a moderate increase at +17;
- Benefit plan costs: a moderate increase at +12; and
- Costs of hiring/training registers a moderate increase at +22.

The typical employer response to a worker being on parental benefits varied according to the type of employer, with 61 percent of the private sector employers assigning the work to other employees, 74 percent of the not-for-profit employers hiring a replacement, and 50 percent of the public sector employers arranging for the work to be done under contract.

Exhibit 68 provides a summary of how employers indicated they normally respond to the absence of workers as a result of parental benefits. This information indicates that a variety of responses are used, with the private sector often assigning the work to other employees, while the not-for-profit and public sectors are more likely to hire a replacement or have the work done under contract. Note that for each of the questions in Exhibit 68, there were some responses that indicated that the answer depended on the nature of the position being filled and the length of leave taken. The numbers in Exhibit 68 do not add to 100 percent, reflecting the fact that employers used multiple strategies.

<b>Exhibit 68</b>			
<b>Employer Responses to Workers Being on Leave</b>			
<b>Response (% responding yes)</b>	<b>Private Sector</b>	<b>Not-for-Profit</b>	<b>Public Sector</b>
Assign work to other employees	61%	39%	40%
Hire replacement	47%	74%	40%
Contract-temporary	34%	50%	50%
Leave work for returning employee	30%	30%	25%
Source: Survey of employers.			

## 7.2 Employer Views on Changes

### 7.2.1 Views on the Program Changes

*Private sector employers viewed the changes in the parental benefits program positively.*

Among private sector employers, views on the changes to the parental benefits program are quite positive (this is represented by an overall category of “not opposed”). For the change from 700 to 600 insurable hours, 85 percent of respondents were either neutral or positive. For the change in the duration of parental benefits from 10 to 35 weeks, 74 percent of respondents were neutral or positive. For the provision allowing employees to work while on parental benefits, 81 percent of respondents were either neutral or positive. For job guarantees, 85 percent of respondents were neutral or positive, with a full 41 percent of respondents indicating that they were strongly positive. In terms of the rating scale from –100 to +100 described earlier, the results for these four factors<sup>17</sup> for private sector employers are as follows:

- 700 to 600 hours (+28)
- 10 to 35 weeks (+22)
- Work while on Parental Benefits (+26).
- Extension of job guarantees (+44).

In the case of employers in either the not-for-profit or public sectors, the views on these four changes were even more positive than for the private sector. Note that the job guarantee item refers to the related extension of the job guarantee under labour standards legislation.

### 7.2.2 Impact of Program Experience on Employer Views

*On average, smaller employers viewed the program changes less positively, with the strongest negative views being expressed by small employers with no direct experience with the enhanced program.*

At the time that the employer survey was developed, it was clear that not all employers would have experience with the enhanced program. For this reason, the sample selection process included pre-screening. The situation of having no direct experience with the program would be particularly likely for smaller employers with a smaller pool of potential participants. As a result, responses from employers were classified on the basis

---

<sup>17</sup> These four factors' rating scores are much higher than for some of the specific effects described above.

of both their size<sup>18</sup> and their experience with the program. The five employer categories used in this study are as follows:

- Small, medium and large employers with some experience; and
- Small and medium employers with no experience.

The technical report, *Results of the Employer Survey*, provides an analysis of the impact of employer size and program experience on their views about the four key elements of the program. The elements are:

- Support hours change from 700 to 600;
- Support increase in weeks of leave from 10 to 35;
- Support allowing employees to work on parental leave;
- Support extended job guarantees.

As noted above, the job guarantee feature received the largest positive response from all employer types. The most noteworthy difference among employers relates to small employers with no experience with the enhanced program. In all four cases, these employers have the largest negative reaction to the enhanced program. Interestingly small employers who have direct experience with the enhanced program have much less negative views. Smaller employers, on average, do view these program changes less positively.

---

<sup>18</sup> Firm sizes for the sample used in the survey of employers were defined as small if fewer than 25 employees, medium if 25 to 99, and large 100 or more.

## ***8. Program Design***

This section focuses on the following issues:

- Issue 1: What evidence exists that elements of the program or its design are likely to contribute to achieving its goals?
- Issue 13: Are there more effective or cost-effective ways of helping parents?

These issues are examined by using the evaluation findings to consider whether the program is designed effectively to achieve program objectives and by doing a short literature review.

### **8.1 Links Between Program Design and Program Objectives**

EI parental benefits and the program changes that took effect on December 31, 2000 are intended to improve support to parents to allow them to spend more time with their infant or newly adopted child and to return to work in the future. As discussed in Section 2.3, the rationale for these benefits and the enhancements are highlighted by the following objectives:

- Promoting child development;
- Balancing demands of work and very young children;
- Making short-term investment for long-term economic gain;
- Using EI as an effective instrument;
- Promoting gender equality; and
- Allowing businesses to retain valuable, experienced employees.

For parental benefits, the key design features are the eligibility requirements, the level of benefits and the duration of benefits. This section examines design effectiveness by considering the links between the enhanced program and the following key indicators:

- Promoting child development:
- Aligning parental and labour market roles; and
- Promoting a high take-up.

## **8.1.1 Promoting Child Development**

*EI parental benefits are markedly different from other available programs.*

EI parental benefits are a core component of the National Children's Agenda and are markedly different from other programs for children and parents. In particular, EI parental benefits are designed to provide financial support for leave by either parent around the time of a birth or adoption, rather than to provide specific services or to provide financial support that is targeted to low and modest income families. EI parental benefits also serve as a base that can be topped-up by employers.

*The evidence indicates that the program changes have had significant impacts in a number of areas linked to child development, including the length of leave, benefit-sharing, breastfeeding, and the quality of parent/child interactions.*

The analysis presented in Section 5 indicated that the program changes have increased the length of paid leave by 18 weeks and increased total leave (i.e. weeks from the start of the EI benefit period to the date of returning to work) by 11.7 weeks in the case of all participants. In the case of low-income claimants, the length of paid leave increased by 16.6 weeks but with no significant increase in total leave.

The proportion of dual-earner couples that shared benefits more than doubled under the enhanced program (increasing from 8 percent under the pre-2001 program to 18.5 percent). There is also some evidence that the spouses/partners of female respondents in the participant survey took longer periods of time off under the enhanced program (with 12.9 percent taking more than 30 days, compared to 4.5 percent in the case of the pre-2001 program).

The enhanced program has resulted in an increase in the length of time mothers breastfeed their babies (increasing from an average of 28.6 weeks under the pre-2001 program to 32.1 weeks, among mothers who indicated breastfeeding).

Under the enhanced program, birth mothers reported significantly higher average scores on the positive parenting scale, indicating higher levels of positive and engaging parenting with their young child. At the same time, birth mothers indicated a lower level of parenting stress and a higher level of parenting confidence under the enhanced program.

## **8.1.2 Aligning Parental and Labour Market Roles**

*The evidence indicates that the program changes increased parents' overall satisfaction with their period of leave and reduced levels of stress on returning to work.*

As indicated in Section 6.3, self-reported levels of satisfaction with the leave period were considerably higher under the enhanced program with an average score of 6.0 out of 7, compared to 4.7 under the pre-2001 program. Also, on average, parents felt more prepared to return to work under the enhanced program.



### **8.1.3 Promoting High Take-up**

*More parents became eligible for benefits under the enhanced program.*

The analysis presented in Section 4.1 estimated that 11 percent of the observed rise in “pregnancy or parental” ROEs in the first 26 weeks after the introduction of the enhanced program is attributable to the reduction in the number of insured hours required to be eligible for benefits.

*The overall participation rate increased under the enhanced program, and increased across a wide range of parents.*

As indicated in Section 4.2, the overall participation rate increased from 44.4 percent under the pre-2001 program to 48.8 percent under the enhanced program. The more detailed analysis indicated that, under the enhanced program, participation rates increased for both men and women, all categories of marital status, all age groups under 40 years of age, families of all sizes, most income groups (with the main exception being those with incomes of \$25,000 or less), all education groups, and most occupation groups (the main exception being persons in sales occupations).

## **8.2 Alternative Approaches**

*In the event that further changes are considered, it may be useful to consider ways to further increase flexibility.*

In international comparisons, Canada ranks fairly highly in terms of the length of paid leave available -- especially since the program enhancements were enacted. A comparison ranks Canada fifth among 33 industrialised countries in terms of maternity/parental duration of leave and 15<sup>th</sup> in terms of payments (Mercer Human Resources Consulting, 2002). Another comparison with Nordic countries suggests that benefit levels in Canada are lower and leave options are less flexible (Deven & Moss, 2003; Kamerman, 2000). However, there are many programs in industrialized countries around the world that could be examined and compared with the enhanced program. Further analyses will be required regarding the strengths and weaknesses of these programs.



## 9. Key Findings

This section highlights some of the key findings for each of the evaluation issues examined by this report.

### ***Issue 1: What evidence exists that elements of the program or its design are likely to contribute to achieving its goals?***

The existing literature confirms that policies/programs that allow parents to spend more time with their infant children have positive effects on maternal and child health and early parenting. Examples of these benefits include less depression and anxiety among mothers, longer periods of breastfeeding, and better parenting support for child development.

Analysis of data from the participant surveys indicated that the program changes have had significant impacts in a number of areas related to the objectives of the program, including the length of leave, benefit-sharing, the length of breastfeeding, and the quality of parent/child interactions. Also, the analysis showed that the program changes increased parents' overall satisfaction with their period of leave and reduced levels of stress on returning to work.

### ***Issue 3: Has extending the benefits encouraged workers to take parental leave or increased its duration, especially among low-income claimants?***

It was estimated that 11 percent of the observed rise in "pregnancy or parental" ROEs in the first 26 weeks after the introduction of the enhanced program was attributable to the reduction in the number of insured hours required to be eligible for benefits.

Under the enhanced program, the participation rate for those eligible for benefits increased to 48.8 percent (up from 44.4 percent under the pre-2001 program). Participation rates also increased across a wide range of parents, including both men and women, all categories of marital status, all education groups, and those with incomes over \$25,000.

The proportion of dual-earner couples that shared benefits more than doubled (increasing from 8 percent under the pre-2001 program, to 18.5 percent under the enhanced program). There are three common reasons for sharing benefits: belief that both parents should be involved in child's formative stage, financial, and needed to return to work or request by their employer.

In the case of all participants, the length of paid leave increased by 18 weeks and increased the total length of leave (i.e. weeks from the start of the EI benefit period to the date of returning to work) by 11.7 weeks under the enhanced program. In the case of low-income claimants, the length of paid leave increased by 16.6 weeks but with no significant increase in total leave.

### ***Issue 4: To what extent do the benefits provide financial support for the family?***

Analysis of the data from the participant surveys indicated that the program changes had no significant effect on the amount of average weekly benefits received or in the ratio of

benefits to total family income. At the same time, however, the data indicated that a slightly smaller percentage of recipients received the EI Family Supplement under the enhanced program, declining from 15.3 percent under the pre-2001 program to 12.8 percent under the enhanced program.

***Issue 5.2: Are participants better able to return to their previous jobs?***

On average, the program changes had no significant effect on whether participants returned to their previous employer. There is, however, some evidence that participants in the enhanced program group with longer leaves (i.e. 16 weeks or more) might be slightly less likely to return to their previous employer than was the case for the pre-2001 program group. Participants reported slightly less levels of stress on returning to work under the enhanced program (with an estimated reduction of 0.33 points on the reporting scale of 1 to 7, after controlling for other factors).

For participants who returned to the same employer but to a different job, those under the enhanced program were much less likely to return to a job at a lower level than their previous job, compared to those under the pre-2001 program. Participants in the enhanced program are slightly more likely to return to work on a part time basis, rather than full time, although this does not appear to be related to the length of leave.

***Issue 6.1: Do participants feel that the program is useful?***

Parents were more satisfied with their period of leave under the enhanced program. When survey participants (for the enhanced and for the pre-2001 programs) were asked to comment on the strengths and weaknesses of the enhanced program, strengths dominated their reply and the responses strongly supported the underlying rationale for the program and the enhancements. The two main strengths were considered to be that the program allowed for more time to be with their child/children and helped to improve the parent/child relationship.

When asked about weaknesses, 47 percent of the enhanced program group said that they would like the program to provide a higher benefit. At the same time, however, another 20 percent said that the enhanced program had no perceived weaknesses. When asked to suggest improvements, respondents generally indicated that they were not looking for major changes, except maybe a higher fraction of income.

***Issue 6.2: Does the program, through increased time at home, generate non-monetary benefits for parents?***

Mothers who experienced physical or mental difficulties during the early months after a birth were more likely to feel that their leave was sufficient for recovery from the birth before returning to work under the enhanced program.

Maternal stress levels were lower under the enhanced program. For example, birth mothers indicated a lower level of parenting stress and a higher level of parenting confidence under the enhanced program. Also, birth mothers were slightly less likely to seek help for depression, and were significantly less likely to seek assistance for anxiety and for personal or family problems.

***Issue 6.3: Does the program, through increased time at home, generate non-monetary benefits for children, both the newborn and others?***

Parents under the enhanced program rated their child's health higher both during the first six months after birth and at the time of the survey, although parents in each program rated their child's health quite highly.

Birth mothers under the enhanced program were considerably more likely to say that the leave program allowed them time to establish regular feeding and sleeping schedules with their baby, and allowed time to relax with their baby without feeling rushed to return to work. The enhanced program also resulted in an increase in the length of time mothers were breastfeeding their babies (increasing from an average of 28.6 weeks under the pre-2001 program to 32.1 weeks, among mothers who indicated breastfeeding). Birth mothers under the enhanced program also reported higher scores on the positive parents scale indicating higher levels of positive and engaging parenting with their young child.

***Issue 7: To what extent do participants work while receiving benefits?***

Participants were more likely to work while on leave in the case of the enhanced program (9 percent of the enhanced program group said they had worked, up from 1.2 percent of the pre-2001 program group). However, the two most common methods of coping with lost wages or salary were limiting the purchase of extras and using savings that had been set aside for the birth/adoption of the child.

***Issue 8: What factors are likely to contribute to participation?***

The analysis of eligible participants and eligible non-participants under the enhanced program indicated that:

- Eligible men were less likely (by 70 percent) to participate than eligible women;
- Respondents who said they were separated were less likely (by 42 percent) to participate than those in the other marital status categories;
- Each child under age 5 in the family was associated with a 12 percent less probability of participating; and
- Each child age 5 to 17 in the family was associated with an 8 percent greater probability of participating.

***Issue 10: How are employers affected by the enhanced parental benefits program?***

Most (65 percent to 76 percent) of the surveyed employers felt that the program changes have had no impact on profitability, growth, their ability to attract new workers, and their ability to retain employees. Employers in the private sector generally felt that the program changes had little or no effect on employee productivity, absenteeism or turnover, but some slightly positive effects in the areas of employee morale, benefit plan costs and the costs of hiring/training.

Views on the changes to parental benefits were quite positive among the surveyed private sector employers and even more positive in the not-for-profit and public sectors. On average, smaller employers viewed the program changes less positively, with the strongest negative views being expressed by small employers with no direct experience with the enhanced program.

***Issue 11: What is the labour market profile of individuals who are eligible and those who are not eligible to claim benefits?***

Given the evaluation's focus on comparing participants before and after the program changes, the analysis presented in this report was unable to compare those who were eligible and those who were not eligible to claim benefits.

Regarding the labour market profile of participants, however, just under half (46 percent) of the enhanced program group had worked for the pre-leave employer for two years or less, while 14.5 percent had worked for the pre-leave employer for more than 5 years. About 25.7 percent were working in clerical or sales jobs, 25.7 percent were in professional occupations, 4.8 percent were in executive/manager positions, and the remaining 43.9 percent were in other occupations.

***Issue 12: Does the use of sickness benefits in the context of the maternity/parental/sickness benefit plan decline after December 31, 2000?***

Using linked survey and administrative data, simple analysis showed that the percent of survey participants receiving sickness benefits declined from 7.9 percent under the pre-2001 program to 4.7 percent under the enhanced program. Statistical estimation analysis confirmed that the probability of receiving sickness benefits, and the average amount received, was significantly lower under the enhanced program.

***Issue 13: Are there more effective or cost-effective ways of helping parents?***

In international comparisons, Canada ranks fairly highly in terms of the length of paid leave available -- especially since the program enhancements were enacted. A comparison with Nordic countries, however, suggests that it may be useful to consider ways to further increase flexibility.

## 10. Bibliography

- Abidin, R.R. (1995) "The Parenting Stress Index", 3rd edition. *Psychological Assessment Resources*, Inc. Odessa, Florida.
- Brooks-Gunn, J. W. Han, and J. Waldfogel (2002). Maternal employment and child cognitive outcomes in the first three years of life: The NICHD Study of Early Child Care. *Child Development*, 73, (4), 1052-1072.
- Deven, F. and P. Moss (2003). Leave arrangements for parents: Overview and future outlook. *Community, Work and Family*, 5 (3), 237-255.
- Galtry, J. (2002). Child health: An underplayed variable in parental leave policy debates? *Community, Work and Family*, 5 (3), 257-278.
- Han, Wem-Jui, Jane Waldfogel, and J. Brooks-Gunn (2001). "The effects of early maternal employment on later cognitive and behavioral outcomes." *Journal of Marriage and Family*, v. 63, pp 336-354.
- Human Resources and Skills Development Canada (2002). "More parents spend critical first year with their children in 2001: enhanced Employment Insurance maternity and parental benefits a great success." November 6, 2002 news release. Available at [www.hrsdc.gc.ca/en/cs/comm/news/2002/021106\\_e.shtml](http://www.hrsdc.gc.ca/en/cs/comm/news/2002/021106_e.shtml)
- Kamerman, Sheila B. (2000), "Parental Leave Policies: An Essential Ingredient in Early Childhood Education and Care Policies", *Social Policy Report*, v. 14, no. 2, pp 3-15.
- Kamerman, Sheila B. (2000a), "From maternity to parental leave policies: women's health, employment and child and family well-being." *American Medical Women's Association Journal*, v. 55, no. 2, pp 96-9.
- Keating, K. (1993), "Developmental Determinants of Health and Well-Being". *Working Papers on the Determinants of Health. Toronto: Premier's Council on Health, Well-Being and Social Justice.*
- Lindberg, L.D. (1996). "Women's decisions about breastfeeding and maternal employment." *Journal of Marriage and the Family*, 58, 239-251.
- McCain, Margaret N., and Fraser Mustard (1999), "Reversing the Real Brain Drain: The Early Years Study Final Report". Government of Ontario: *Children's Secretariat.*
- Mercer Human Resource Consulting. (2003). "Worldwide study exposes wide variations in maternity benefits." Available from [http:// www.mercerhr.com](http://www.mercerhr.com)

National Institute of Child Health and Human Development Early Child Care Research Network. (2003), "Does amount of time spent in child care predict socioemotional adjustment during the transition to kindergarten?" *Child Development*, 74, (4), 976-1005.

Ruhm, Christopher J. (2000), "Parental Leave and Child Health", *Journal of Health Economics*, November.

Ruhm, Christopher J. (2000), "Parental Employment and Child Cognitive Development", *National Bureau of Economic Research, Working Paper No. 7666*.

Statistics Canada. *Labour Force Survey*. catalogue number 71-201-XPB.

Statistics Canada. *Survey of Labour and Income Dynamics*.

Statistics Canada, *National Longitudinal Survey of Children and Youth, 1994/95 and 1996/97*, CANSIM table number 01094001.



## *Appendix A*

# *Method Used to Identify Receipt of Benefits in SLID Data*

To identify the factors associated with receipt of maternity or parental benefits, we began by considering respondents that SLID identified as birth parents who reported having worked at least 700 hours in 2000 or 600 hours in 2001. Qualified cases numbered 753 in 2000 and 859 in 2001. This is a clear source of slippage, relative to the administration of EI claims, as a parent could have worked these hours in either the year following the birth of the child or before the leave was initiated.

We used responses to SLID questions about absences from work, separating from a job and receipt of EI benefits to judge which respondents might have taken parental leaves and received maternity or parental benefits. The numbers of cases thus identified are shown in Exhibit A-1. Neither approach offers results that align particularly well with the administrative data. However, the reader should keep in mind that the administrative data ignore people who had children but did not leave their jobs.

<b>Exhibit A-1</b>				
<b>Identification of Leave-Takers in SLID</b>				
<b>% of Eligible</b>	<b>Absence or Separation</b>		<b>Received EI Benefits</b>	
	<b>2000</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Male	35	27	13	20
Female	76	72	77	82
Total	52	45	40	45

Source: Survey of Labour and Income Dynamics, covering years 2000 and 2001.

The selected approach involved identifying parental benefits participants based on receipt of EI benefits. The alternative approach, based on absence or separation from work, would have implied that the proportion of eligible workers who actually took a leave was lower in 2001 than in 2000. Such an outcome is counterintuitive, in the face of the impacts indicated by the other parts of the evaluation analysis and expectations concerning the effects of the changes to parental benefits.

Using receipt of EI benefits to identify participants, the data indicate that the percentage of eligible women who received parental benefits increased from 77 percent to 82 percent between 2000 and 2001, while that for men increased from 13 percent to 20 percent. These numbers seem plausible.