

# WESTERN POLICY Analyst

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## The Demand for Child Care in Western Canada



By Doug Elliot, Editor,  
Western Policy Analyst

Two trends in western Canada are combining to increase the demand for child care services. The first is an increase in the number of births and therefore an increase in the number of young children and the second is a booming labour market that is attractive to parents of young children.

### Population Changes

The population of western Canadians under fifteen years of age is shown in Figure 1. This makes it clear that the rising demand for child care will be concentrated among parents with children under five years of age. The number of young children has grown from 530,000 in the mid-2000s to 640,000 in 2012. Although not as pronounced, the number of children five to nine years of age has started to increase as well. It will continue to do so in the short term.

In absolute terms, the increase is concentrated in Alberta where more than half of the growth has occurred. In percentage terms, the number of children under five has, from 2005 to 2012, increased by:

- 3.1% in Alberta;
- 2.7% in Saskatchewan;
- 1.8% in Manitoba; and
- 1.2% in B.C.

From the Labour Force Survey (LFS), we can determine how many adults there are in families with young children and this is shown in Figure 2. (The LFS uses slightly different, and more useful, age groupings).

Here we see roughly the same pattern, namely an increase in the number of adults in households where the youngest is under six years of age. The number where the youngest is under 13 years of age has been effectively constant over the past sixteen years. This clearly implies an increasing demand for child care services in the West that will be concentrated among pre-school children. In the balance of this article, we look at households where the greatest increase in demand has occurred, namely where the youngest is under six years of age.

### Family Types

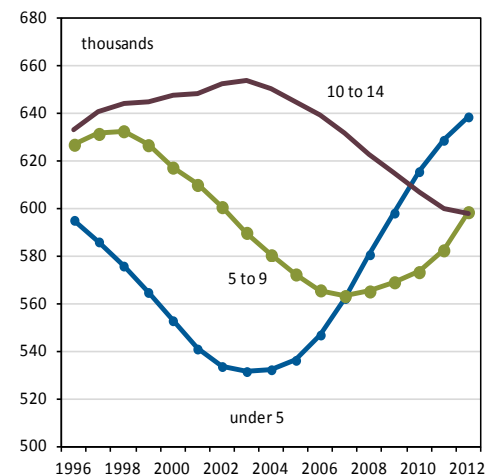
Calculating the actual demand for child care is difficult. Without extensive attitudinal surveys, we cannot easily distinguish between households where a parent has voluntarily chosen parental child care and one where the choice has been forced on them because child care is unavailable or unaffordable. Furthermore, we cannot tell if there are older siblings or grandparents living in the home who could limit or eliminate the need for child care outside the home. The LFS can, however, provide some useful information about whomay be using external child care services.

### Notes and Sources

These figures are from the Statistics Canada Labour Force Survey and excluding the population living on Reserve. The term “child care” in this article refers to licenced or unlicensed care by non-family members either inside or outside the home.

Sources: CANSIM Table 051-0001 and special tabulations from microdata files.

Figure 1: Population of Young Children, Western Canada



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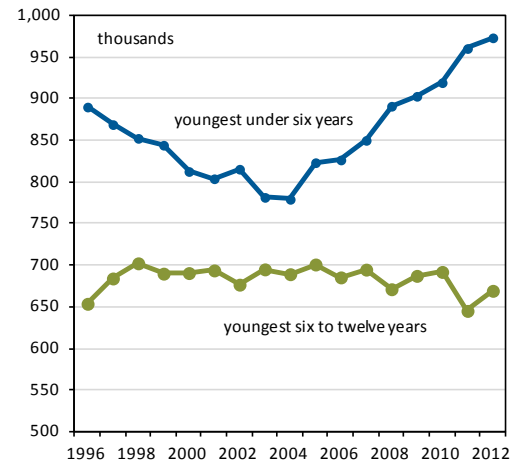
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Figure 3 shows the trend in the number of adults in western Canada living in households with children under six years of age. All four provinces show increases although the starting point for the growth was earlier in B.C. and Alberta than in Manitoba or Saskatchewan. On the other hand, the growth rate is more pronounced in Alberta and Saskatchewan.

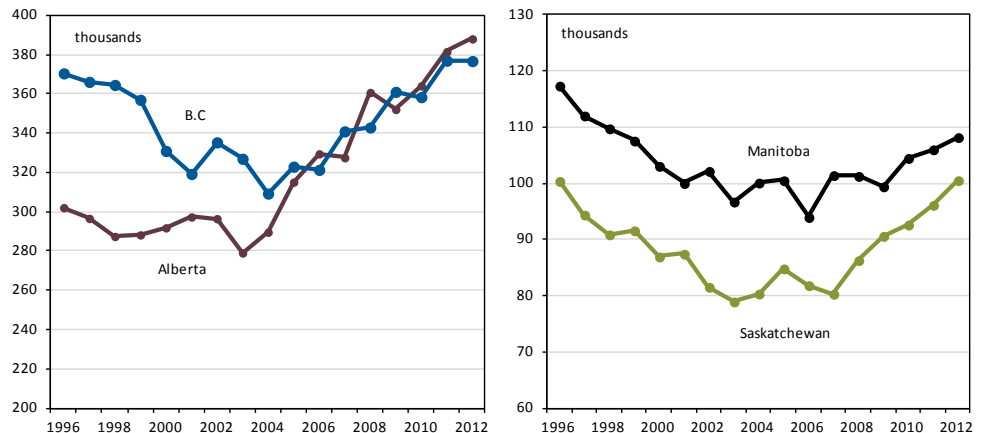
Figure 4 uses information from the LFS to examine the type of family and labour market attachment for the 973,000 adults with young children at home. More than one-half apparently have the need for at least some child care arrangements. These are:

- the 37% where both adults in a two-parent family are working full-time;
- the 5% who are working lone parents; and
- the 19% where one or both parents in a two-parent family are working part-time.

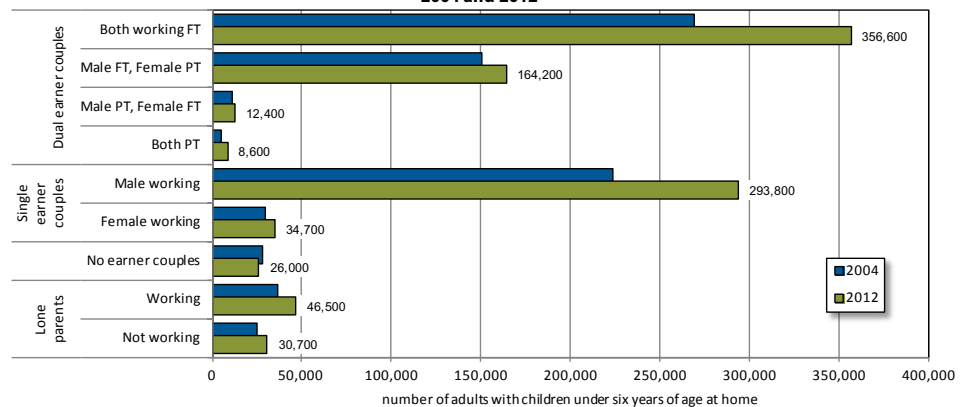
**Figure 2: Adults in Households with Young Children, Western Canada**



**Figure 3: Adults in Households with Children Under Six**



**Figure 4: Labour Force Status of Adults in Households with Young Children, Western Canada, 2004 and 2012**



No doubt some of the 34% of adults in two-parent families where one spouse (almost always the woman) is staying at home might also enter the labour market if affordable child care were available. In the LFS, 68% of the part-time workers reported that they were doing so in order to care for their children.

Figure 4 also shows that, compared with 2004, there are many more two-parent families who are both working full-time and many more with a single male earner. There are relatively fewer with the male working full-time and the female working part-time although the number has increased in absolute terms.

**Labour Market Characteristics of Probable Child Care Users**

This section looks at those who are probably child-care users, namely those in two-parent families where both work fulltime and working lone parents, and compares them with others with young children at home. The vast majority (89%) of this “other” comparison group will be those in two-parent families with the male working full-time and the female either staying at home or working part-time.

Figure 5 shows that child-care users are more likely than other parents to be working in large firms, in the public sector, and to be union members. They have slightly higher levels of formal education and are more likely to be in permanent positions.

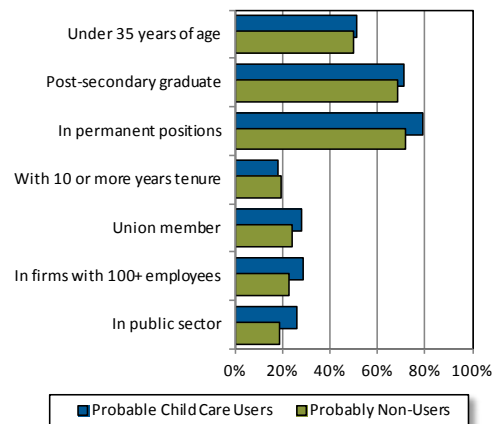
The average hourly wage rate is similar between the two groups - \$27.21 for child-care users and \$27.46 for others.

**Summary**

The demand for child care has clearly increased in the West. In 2012, there were 973,000 adults in homes with children under six years of age compared with 780,000 in 2004. The increase is particularly pronounced in Alberta.

More than a third of those adults are in households where both parents are working full-time. The figures suggest that child-care users are disproportionately working in larger public sector firms. Perhaps this is because these kinds of employers are more accommodating to parents with younger children?

**Figure 5: Selected Labour Market Characteristics of Adults with Young Children at Home, Western Canada, 2012**



**By Iryna Kryvoruchko, Assistant Professor, Johnson-Shoyama Graduate School of Public Policy**

Every year the Vancouver Foundation in British Columbia transfers an average of

\$33 million annually to charities supporting programs from youth homelessness to immigrant adaptability to climate change. Established with only a \$1,000 endowment, this foundation expanded into one of the largest organizations in Canada with assets reaching \$814 million in 2012. What has been the development of foundations in western Canada over the past ten years?

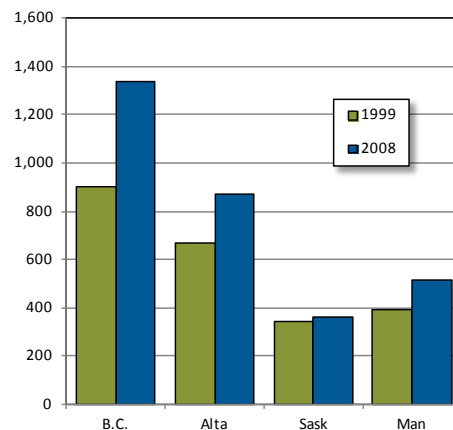
As designated by Canada Revenue Agency (CRA), charitable foundations are registered charities that mainly raise funds and distribute them as gifts to other charities. The

**Charitable Foundations in Western Canada**

importance of foundations lies in the purposes they serve for the primary donors and for the charitable sector in general. By setting up charitable foundations, contributing donors can make tax-free investments, and manage the distribution and growth of their funds. Earned income on foundation investments is then allocated to charities as gifts, which provide ongoing support for charity operations.

The total number of foundations in Western Canada increased by a third between 1999 and 2008, growing from 2,307 to 3,804 (see Figure 1)<sup>1</sup>. Most of the growth occurred in British Columbia, where the number of foundations almost doubled over the period. The number of foundations in both Alberta and Manitoba increased by a solid 30%. Saskatchewan experienced the smallest growth in foundations with only a 6% increase from 1999 to 2008.

**Figure 1: Number of Foundations in Western Canada, 1999 and 2008**



<sup>1</sup> All figures are based on data from Canada Revenue Agency accessed at Public Economics Data Laboratory in McMaster University.

The next three figures illustrate the time-series of foundations' key financial measures across four western provinces. These measures include assets, revenues and spending on charitable programs. All are expressed in constant \$2001, that is, adjusted for inflation. Total foundation assets have doubled within each Western province over the past ten years. Cross-province comparisons suggest that British Columbia has the highest total foundation assets, while Saskatchewan's foundations hold the smallest amounts of assets (Figure 2). In the middle layer, Alberta's foundations are consistently outpacing foundations in Manitoba. It appears that the gaps in foundation asset holdings across neighboring provinces continue to widen over time.

Relative to asset holdings, foundations tend to raise less in new revenues. Total revenues comprise an average of 30% of total assets for all western provinces. As shown in Figure 3, both Manitoba and Saskatchewan have flatter growths in total revenues, while Alberta and British Columbia experienced steeper rises in this measure, especially since 2004. The gap in foundations' total revenues between these two sets of provinces continues to grow over time.

Each year foundations are required to spend a portion of their revenues and assets on charitable programs, which include either the transfer of gifts to other charities or spending on own charitable programs. Gifts to other charities constitute an average of 75% of total foundation spending on charitable programs. They are also an important source of funding for charities. Failure to meet CRA's minimum spending requirement can result in the termination of foundation's charitable status.

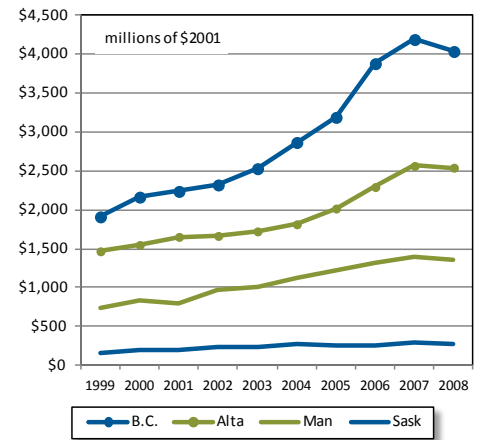
Figure 4 illustrates total gifts to other charities for four western provinces between 1999 and 2008. British Columbia reached a high of almost \$600 million (in \$2001) in total foundation gifts allocated to other charities in 2007 after a fairly steep

increase since the early 2000s. While foundation gifts have doubled in most of the western provinces, Saskatchewan experienced only a 35% increase in charity gifts over the past ten years. As with total revenues, there is a difference between the amount of gifts allocated to charities by Manitoba and Saskatchewan versus Alberta and British Columbia. Gifts to other charities have expanded over time so has the gap in charity giving by foundations between Prairie and Pacific provinces has widened.

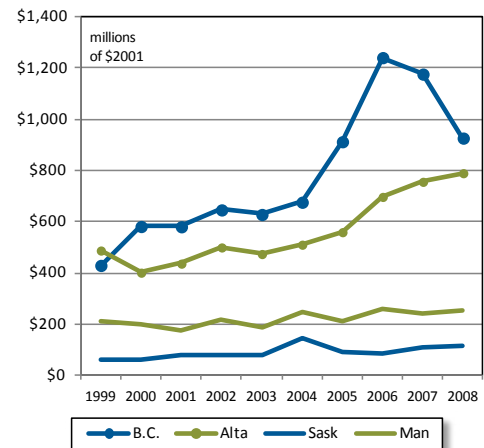
The Vancouver Foundation in British Columbia, the Winnipeg Foundation in Manitoba and the Calgary Foundation in Alberta also belong to the top 1% of richest Canadian foundations when classified by their assets. Foundations of such caliber carry out rich funding programs to meet the needs of local charities and improve the wellbeing across their communities.

Charitable foundations in Canada are becoming important players in supporting the provision of local public goods and services, especially with governments experiencing tighter financial constraints. From 1999 to 2008, the government has introduced policies that may have contributed to the growth of foundations. These include the reduction in the asset spending requirement (2004), complete elimination of the revenue spending requirement (2010), and exemption from the capital gains tax on donations of publically traded securities (2006-2007). What else can be done to promote the development of foundations? Thinking about new policy options remains a worthwhile exercise for policy makers.

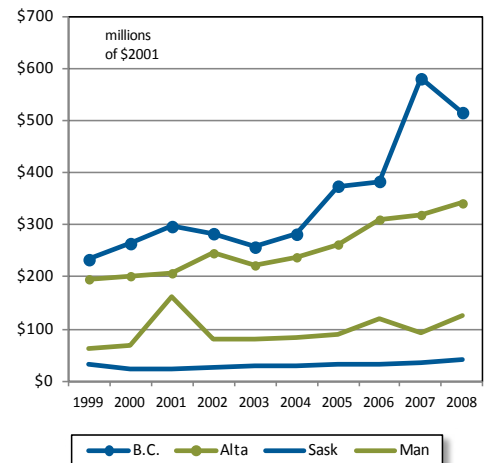
**Figure 2: Foundation Assets in Western Canada, 1999 to 2008**



**Figure 3: Foundation Revenues in Western Canada, 1999 to 2008**



**Figure 4: Gifts to other Charities in Western Canada, 1999 to 2008**



# Common Ground? Urban and Rural Attitudes about Natural Resource Development in Saskatchewan



by Sara Waldbillig, Researcher, University of Saskatchewan and Loleen Berdahl, Associate Professor of Political Studies, University of Saskatchewan

Natural resource development is critical to the Saskatchewan economy, and the province's abundant natural resources (including but not limited to potash, uranium, petroleum, and natural gas) have contributed strongly to Saskatchewan's economic success in recent years. In light of this, it is interesting to consider public attitudes towards natural resource development in the province. Do Saskatchewan residents support the continued development of their natural resources? And how do public attitudes vary, if at all, amongst the urban and rural populations in the province? The Taking the Pulse of Saskatchewan survey (see box) allows us to examine these issues, and the results suggest that a highly supportive attitudinal environment for future resource developments.

Research regarding public attitudes towards environmental issues and resource exploitation suggests that, in areas of high natural resource development, the general public will identify resource development with their economic interests, and that this in turn may have consequences for their attitudes regarding environmental protection (Williams and Moore, 1991 as cited in Wall, 1995: 300; see also Wall 1995; Masuda and Garvin 2008). When considering the province as a whole, Saskatchewan appears to support this pattern. The province-wide results suggest very strong public support for resource development; 94% of respondents agree with the statement "Developing Saskatchewan's natural resources is critical to our economic prosperity," and 71% strongly agree.

## Taking the Pulse Survey

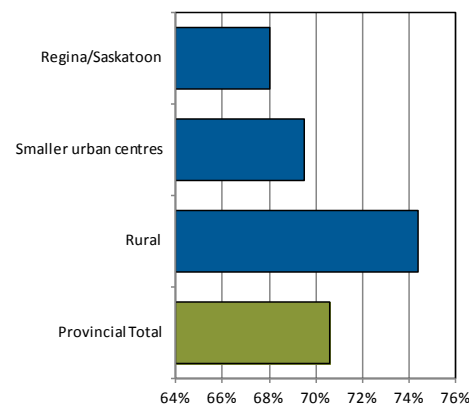
The University of Saskatchewan's Taking the Pulse of Saskatchewan (TTP) survey allows for some insight into Aboriginal and non-Aboriginal public opinion in the province. Taking the Pulse of Saskatchewan 2012 was administered as a 15-minute telephone survey from March 5, 2012 to March 19, 2012.

The survey resulted in 1,750 completed interviews among randomly-selected Saskatchewan residents, 18 years of age and older. Of these, 104 respondents (6%) self-identified as Aboriginal (compared with a population that represented 13% of the adult population in Saskatchewan in 2011). Results of the survey, which generated a response rate of 34.3%, are generalizable to the Saskatchewan population (18 years of age and older)  $\pm$  2.34% at the 95% confidence interval (19 times out of 20). In this article, only statistically significant differences are reported. Urban size was determined based on postal code information.

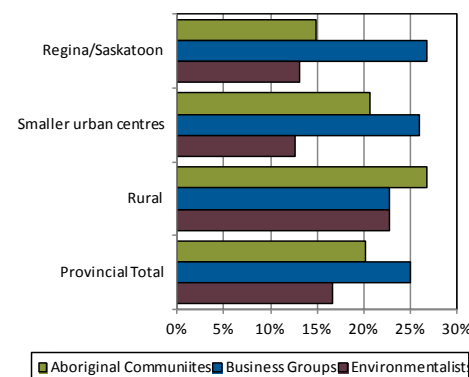
But do such attitudes vary according to urban and rural locations of residents? This question is of interest for at least two reasons. First, like other Canadian provinces, Saskatchewan has experienced strong urbanization in recent decades. While Saskatchewan remains less urbanized than the other western provinces – as of the 2011 census, 33% of the Saskatchewan population was rural, compared to 28% in Manitoba, 17% in Alberta and 14% in B.C. – the province is becoming more and more urbanized over time.

Second, research suggests that urban and rural residents often vary in their policy attitudes, including attitudes with respect to environmental and natural resource issues. Early research from the United States found that urban residents were more likely to show environmental concern than residents of rural areas (Buttel and Flinn, 1974, 1978); researchers suggested that variations in attitudes may reflect differences in the degree to which urban and rural residents are economically dependent on the natural resource sectors (Buttel and Flinn, 1974), or differences in exposure to pollution (Althoff and Greig, 1977). Contemporary research on urban-rural attitudinal differences continues to examine the assumption that rural residents either have direct social or economic connections to the local natural-resource sector or share the views of those who do because of the resource culture (Sharp and Adua, 2009: 61). Recent research finds that community members in rural areas or areas with large farming populations see industries and resource

**Figure 1: Strongly Agree that Developing Saskatchewan's Natural Resources is Critical to our Economic Prosperity**



**Figure 2: Strongly Agree that Organizations have Undue Influence over Government Policies Regarding Natural Resource Development in Saskatchewan**

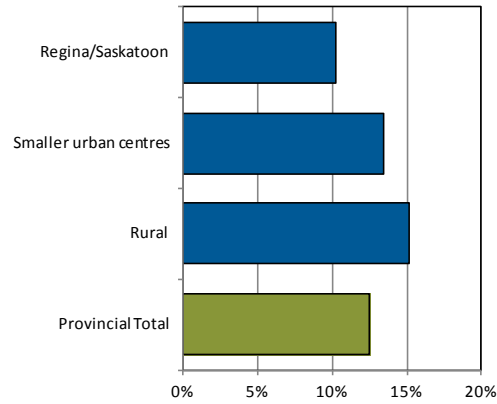


development as tied to community well-being under the image of “industry-as-provider”, as well as “jobs for the young people,” allowing them to stay in their communities (Masuda and Garvin, 2008: 119, 120). At the same time, some members of rural areas may also see the threat of extreme resource exploitation to safety and health and may view resource development as harmful (Masuda and Garvin, 2008: 120).

Yet while the literature suggests reasons that urban-rural attitudes may differ, it also points to a potential narrowing of these attitudinal differences over time. For example, Masuda and Garvin find that rural areas face in-migration from urban residents (2008: 114; it should be noted that urban areas also face in-migration from rural residents), while Huddart Kennedy et al. see the gap between urban and rural differences narrowing due to similar availabilities in community environmental services (2009: 312). And, finally, research is complicated by the fact that researchers use different measures of both environmental concern and urban/rural residency (Williams and Moore 1991: 198).

In light of this rather muddy picture from previous research, it is reasonable to presume that Saskatchewan’s urban and rural residents may differ in their attitudes towards natural

**Figure 3: Strongly Agree that we can Trust Saskatchewan Agribusinesses to Protect our Environment Without too much Government Regulation**



resource attitudes, but it that such differences, if they exist, will not necessarily be large. This is indeed what is found. On some survey questions, the urban and rural attitudinal differences on natural resource development barely exceed the survey’s margin of error. Differences are found with respect to perceptions of the influence of various groups, with rural and urban residents diverging in their opinions regarding the role of Aboriginal communities and environmentalists. But overall, the urban-rural differences found are those of degree (and in many cases a very small degree) rather than of kind.

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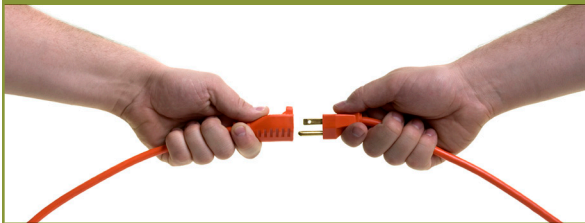
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# Union Membership in Western Canada



By Doug Elliot, Editor,  
Western Policy Analyst

The proportion of workers who are members of a union has been falling in Canada and the USA

for decades but the downward trend is not uniform and it hides some interesting patterns within the labour force.

When commentators talk about the decline in union membership, they are referring to the union share of total employment. In fact, Figure 1 shows that the absolute number of union members in western Canada is increasing rather than decreasing. In an average month of 2012, there were 1.37 million union members employed in the four western provinces. This is 14% more than there was ten years ago. Union membership is, however, declining in relative terms. In that same average month in 2012, 24.3% of the employed were union members and this is down from 25.7% in 2002<sup>1</sup>.

Within the four western provinces, there is a good deal of variation in the proportion of workers who are union members. Union membership is much less common in Alberta (20% of employment) than it is in Saskatchewan (29%) or Manitoba (31%). B.C. is midway between these extremes at 26% and the national average is 27%.

Figure 2 shows that the proportion is increasing rather than decreasing in Manitoba and Saskatchewan and has declined only slightly in Alberta. The declining proportion in the West overall is mainly because of the sharp drop in B.C.

## By Industry Group

The most striking fact about union membership is that it has become almost exclusively a characteristic of public sector workers (broadly defined – see box). In 2012, only 12% of private sector workers were union members compared with 74% of public sector workers. Looked at another way, the public sector accounts for

## Notes and Sources

Union membership in these data includes all those who are employed and covered by a collective agreement even if they do not consider themselves as union members. The “public sector” is broadly defined to include governments as well as organizations in health care, education, and social services that are substantially funded by governments. Crown corporations are also included. These figures are from the Statistics Canada Labour Force Survey and excluding the population living on Reserve.

Sources: CANSIM Table 282-0012, 282-0074, and 282-0078

only 20% of employment in the West but six in ten union members were working in the public sector.

This explains the low proportion of union members in Alberta which has a relatively small public sector – only 17% of employment compared with 26% in Saskatchewan and Manitoba. It also helps explain the growth in union membership over the past ten years. In the West, public sector employment increased by an average of 2.4% per year between 2002 and 2012 compared with 1.8% per year for the private sector.

Figure 4 shows the incidence of union membership in more detail by looking at fifteen separate industry group. Union members are the most common in the four industry groups that are dominated by the public sector:

- public administration (government proper) with union members representing 68% of employment in 2012;
- education (64%);
- utilities (57%); and
- health care (51%).

At the other extreme, there are virtually no union members in agriculture or in the large accommodation and food services group. There are also relatively few in the fast-growing business services group or the personal service group.

Figure 1: Union Membership in Western Canada

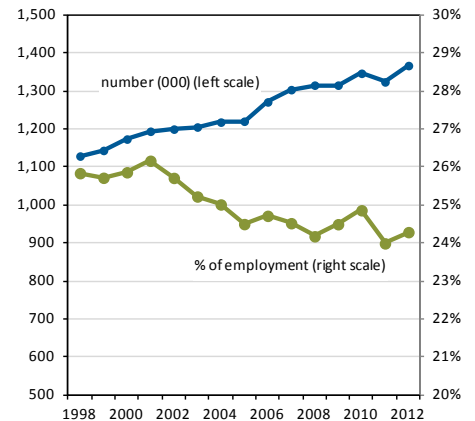


Figure 2: Incidence of Union Membership, 2002 and 2012

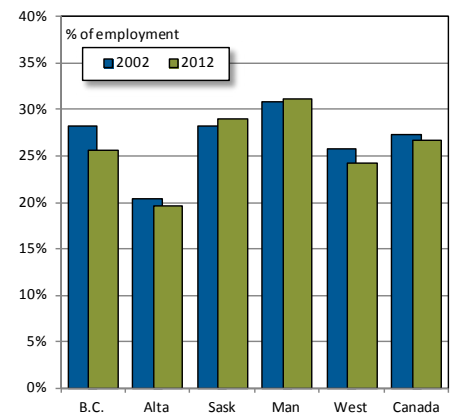
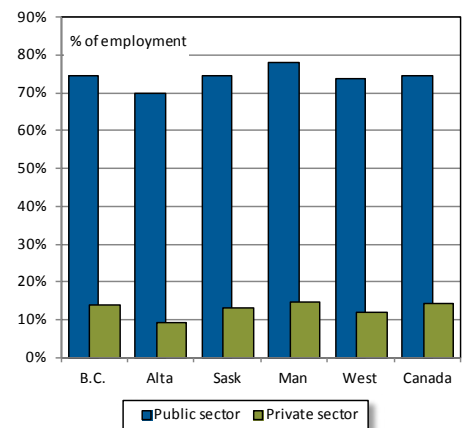


Figure 3: Incidence of Union Membership, by Sector, 2012



<sup>1</sup>The incidence of union membership is often expressed as a percentage of paid workers which leaves out the self-employed for no good reason; the self-employed are included in this article. Excluding the self-employed, union members made up 29% of western workers in 2012.

**Age and Sex**

With the majority of union members working in the public sector, it is no surprise that the characteristics of union members are skewed toward the characteristics of the typical public sector worker. In particular, 28% of women are union members compared with 21% of men. Union members are more common in the older age groups with 28% of those 45 to 64 years of age being union members compared with only 13% of those 15 to 24 years of age.

**Changes Over Time**

Union membership would be declining as a share of total employment if members were concentrated in declining industries but Figure 6 shows that this is not the case. With only two exceptions, membership has declined in relative terms in each of the fifteen industry groups. The exceptions are industry groups where union representation is rare, namely agriculture and business services (e.g. engineering, legal, accounting, IT firms).

In other words, the decline in union membership is widespread across industry groups and the share of employment is

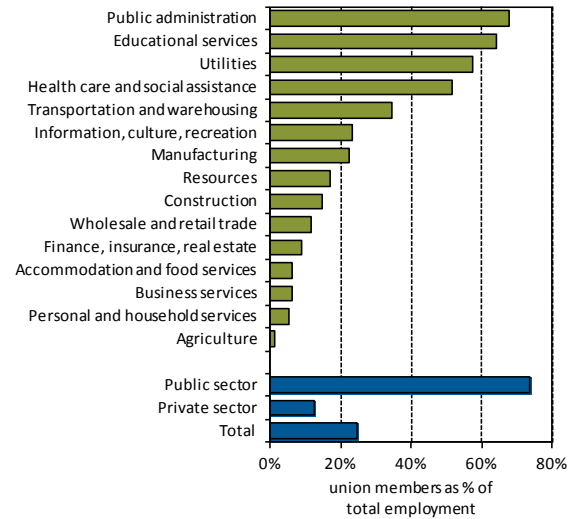
declining even in sectors such as education where union membership is common.

**Summary**

Union membership is increasing in absolute terms but declining as a percentage of employment. The decline is evident in most industry groups including sectors such as government and education where union membership is very common. The typical union member in the West is a woman in the 45 to 64 age group who works in the public sector – probably either health care or the provincial government.

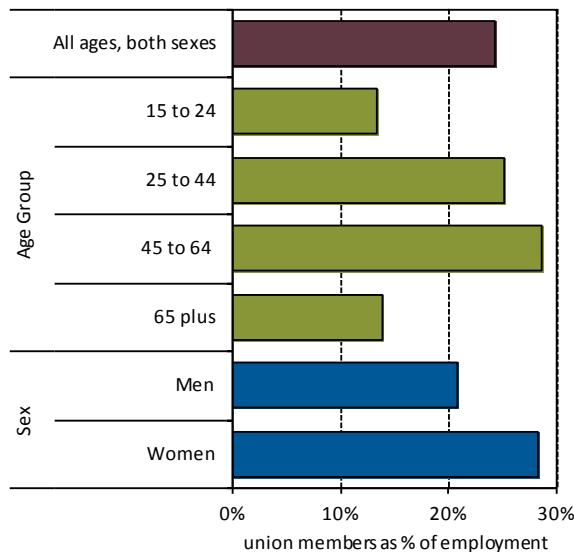
The dominance of union membership in the public sector defines the nature of collective bargaining and labour disputes. In the private sector, most disputes are an economic struggle between the employer and the employees over the share of profits. In the public sector, labour disputes often become public relations exercises because those most affected by strikes or lockouts – the general public – are only indirectly part of the bargaining process.

**Figure 4: Union Membership by Industry Group, Western Canada, 2012**



This also puts provincial governments in an obvious conflict of interest. As governments, they are responsible for legislation that governs union membership and collective bargaining but as employers (government proper) or funders of employers (health and education), they also sit at the bargaining table.

**Figure 5: Union Membership by Age and Sex, 2012**



**Figure 6: Change in Union Membership Share, by Industry Group, Western Canada, 2002 to 2012**

