

## **Child care in Canada: A scarce resource**

It's now more than 40 years since the Royal Commission on the Status of Women first called for a national child care program. But although most mothers of young children now work outside the home, Canada still has no national child care policy. Without federal financing and leadership and with widely divergent provincial/territorial programs, high quality affordable child care is a scarce resource in most of Canada. Today, many young families across Canada face equity, access and quality issues very much like those experienced by their parents and grandparents.

Immediately upon becoming Prime Minister in 2006, Stephen Harper cancelled agreements with all provinces and territories that were intended to form the basis for Canada's first national child care program — together with the federal dollars that went with them. His government “replaced” the long-awaited national program with a \$100 monthly cheque-in-the-mailbox for families with children aged 0-6 years. These cheques add up to a hefty public expenditure — \$2.5 billion a year, now topping \$15 billion in total — with no tangible result.

In 2008, Canada ranked at the very bottom on quality and access in a UNICEF study of 25 countries.

### **What we all gain?**

All Canadians gain from quality child care in multiple ways.

Children gain - High quality child care provides the intellectual and social simulation that promotes cognitive development and social competence, as well as a good quality of life.

Families gain - Child care supports parents going to school, training or working. It helps them balance work and family while helping provide a route out of poverty for low income families.

Women gain - Reliable child care is fundamental for women – it is “the ramp that provides equal access to the workforce for mothers<sup>1</sup>”. Most Canadian mothers with young children are in the labour force; in 2012, 69.7% with a 0-2 year olds, 76.6% with a 3-5 year olds and 84% with a 6-15 year olds were employed.

The economy gains - A Quebec study showed that each \$100 public investment in child care yielded tax revenues of \$104 to Quebec and \$43 to the federal government. A Canadian study found that each public dollar spent on child care returned \$2.54 in short-and long-term benefits to society and was a top economic stimulus.

We all gain - Today many people are concerned by data that shows that Canada is becoming a more unequal society, with increasing inequality between younger and older Canadians, between races, social classes, and between men and women. The idea that quality accessible child care has a key role to play in creating a more equal Canada is now part of the public and political discussion about the connections between health and wealth, public services and social justice, economics and democracy, taxation and fairness.

We all gain if child care is high quality - Quality very much matters in child care. This is a solid conclusion from three decades of research. High quality early childhood programs provide children with many kinds of social and learning benefits but can be ineffective or even negative if quality is mediocre or poor. This is especially true for children from poorly resourced or low income homes.

We all gain from universality in child care - Today families across the economic spectrum need and want good quality early childhood

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<sup>1</sup>Abella, R. (1984). Royal Commission on Equality in Employment. Ottawa: Government of Canada.

programs for their children. Research shows that all children gain, not just those considered to be developmentally at risk. And experience with health, social and education programs shows that societies gain in social inclusion and general well-being from broadly inclusive, high quality universal programs – especially if they encourage democratic participation.

Overall, research evidence and common sense show that we all stand to gain the most when child care is designed as a universal system that includes all children and families – affluent, modest income and poor, children with disabilities and without, newcomers to Canada and those who settled generations ago, young parents and grandparents.

### **Can we all afford it?**

Canada spends considerably less than do many other countries on early childhood education and care. Although the benchmark recommended by UNICEF is 1% of GDP, international studies show that Canada's public spending is lowest among 14 OECD countries. Yet by international measures (such as per capita GDP), we are wealthier than many of the countries that spend much more on children and families. And when it comes to early childhood programs, some less wealthy countries spend as much as 2% of GDP, compared to Canada's 0.3%.

High fees are one of the main barriers for parents seeking child care in Canada. The main reason that fees are too high for ordinary families is the low level of, and inconsistency of, Canada's public child care funding. This means that staff wages (the biggest cost in a child care budget) and other expenses like food, equipment and rent are directly dependent on the ability of parents to pay. As a result, both access and quality often suffer.

Parent fees vary widely across Canada, reflecting how, and how much, different provinces/territories spend on child care. Quebec has the lowest parent fees; Quebec parents pay \$7/day (\$154/month) for all incomes, all ages, all forms of regulated child care. Manitoba's and P.E.I.'s provincial governments, like Quebec's, set parent fees: respectively \$431/month and \$566/month for full-day toddler care (median), while the median toddler fee in Ontario was \$925. And there are huge fee ranges within some provinces too. Parents may pay \$1800/month or even more in Ottawa or Vancouver!

The tables below show provincial/territorial parent fees.

**Average full-time monthly parent fees<sup>[2]</sup>  
in full-day centres by age group.  
Provinces/Canada total 2012**

<b>Provinces</b>	<b>Infants (\$)</b>	<b>Toddlers (\$)</b>	<b>Pre-schoolers (\$)</b>
NL	n/a	773	783
PE	696	566	544
NS	825	694	685
NB	740	653	620
QC	152	152	152
ON	1,152	925	835
MB	631	431	431
SK	650	561	535
AB	900	825	790
BC	1,047	907	761
CA	761	701	674

**Average parent fees by age group.  
Territories 2010**

<b>Territories</b>	<b>Infants (\$)</b>	<b>Toddlers (\$)</b>	<b>Pre-schoolers (\$)</b>
NT	900	n/a	600
NU	650	n/a	650
YT	690	630	600

Although all provinces/territories except Quebec use income-tested fee subsidies, only a fraction of families using regulated child care can access one (about ¼ of families in most provinces/territories). Although the purpose of a subsidy is to help cover child care costs for a low income family, they usually don't cover the whole fee even for fully subsidized families. This means that even very low income parents may be expected to pay out-of-pocket; in Vancouver, for example, the gap between the maximum subsidy and the average fee parents must pay is \$535/month. In Ontario, a subsidy may cover the whole fee but subsidies are rationed, so there are long waiting lists; Toronto's subsidy wait list is often as long as 20,000 eligible families.

<sup>2</sup>*You Bet We Still Care!*, (Flanagan, K., Beach, J. and Varmuza, P.) for the Child Care Human Resources Sector Council (2013). Data source for parent fees in the Northwest Territories, Nunavut and Yukon: territorial government data in *Public Investment in Early Childhood Education and Care in Canada 2010* (HRSDC, 2013). There were too few territorial responses to the *You Bet We Still Care!* survey to calculate 2012 fees.

## **Is there space for us all?**

Regulated child care spaces can cover only a fraction of children in Canada - about one in five. In 2012, there were only enough child care spaces to cover 22.5% of 0-5 year olds and 20.5% of 0-12 year olds. In 2012, there were about 500,000 spaces in child care centres for Canada's 2,230,000, 0-5 year olds (986,000 regulated centre and family home child care spaces for 4,800,000, 0-12 year olds).

With limited public funding and policy, expansion in child care spaces has been stagnant, with growth at a very low rate for at least seven years. At the current growth rate, it would take 52 years to develop enough centre spaces to cover all 0-5 year olds. And in recent years, much (or most, in some provinces/territories) of growth has been in the for-profit sector.

Regulated child care is not evenly distributed among provinces/territories with the coverage (availability of a centre space per child in the province) for 0-5 year olds ranging from 11.5% in Saskatchewan to 46.5% in P.E.I. The table below shows this over the last twenty years.

**Percent of children 0-5 years for whom there is  
a regulated full or part-time centre space.  
Provinces/territories/Canada total 1992 - 2012<sup>3</sup>**

<b>P/T</b>	<b>1992 (%)</b>	<b>1995 (%)</b>	<b>1998 (%)</b>	<b>2001 (%)</b>	<b>2004 (%)</b>	<b>2006 (%)</b>	<b>2008 (%)</b>	<b>2010 (%)</b>	<b>2012 (%)</b>
NL	7.0	9.0	10.8	11.9	13.1	16.5	17.3	17.9	18.9
PE	29.9	29.4	31.0	38.1	38.2	42.2	41.0	41.6	46.5
NS	n/a	n/a	n/a	n/a	n/a	25.2	22.1	22.6	23.9
NB	n/a	n/a	n/a	11.9	n/a	18.1	19.9	21.1	30.7
QC	9.2	9.4	11.5	16.8	22.0	25.6	25.0	28.5	36.3
ON	12.4	n/a	12.4 (est.)	14.0 (est.)	14.9	16.9	19.6	19.7	20.8
MB	12.5	13.6	15.0	17.9	20.2	20.0	20.6	22.8	20.5
SK	3.6	4.4	5.2	5.4	6.7	8.1	9.1	10.5	11.5
AB	17.5	17.9	17.5	17.6	18.9	17.9	17.4	19.8	19.8
BC	9.9	11.0	12.2	14.6	15.6	17.1	18.3	19.8	23.7
NT	10.2	n/a	n/a	n/a	18.7	21.0	23.3	22.9	n/a
NU	n/a	n/a	n/a	n/a	22.8	20.5	20.2	20.5	20.8
YT	25.3	n/a	n/a	n/a	35.9	26.4	28.3	27.8	28.6
CA	11.5	11.5	12.6	14.9	17.1	19.1	20.3	21.8	22.5

Although, almost all five year olds across Canada attend public kindergarten, kindergarten parents (like parents with young school-aged children) must also find child care to cover their work schedules—before- and after-school hours, school holidays and summers. Canada is far behind other countries in kindergarten-type provision. In many other countries, two or three years of kindergarten-type provision (usually full school-day) before formal schooling begins is now the norm and often meets parents’ child care needs as well.

<sup>3</sup>ECEC in Canada 2012. (2013). Toronto: Childcare Resource and Research Unit.

## **Does it meet all our needs?**

Some Canadians are especially disadvantaged by child care options that are even more limited than the norm. Families seeking child care for infants, children with special needs, parents working non-standard hours or living in rural communities are particularly disadvantaged — many have no regulated child care options at all. This can be incredibly stressful for parents, who scramble to find care and often have to settle for a less-than-ideal solution.

Aboriginal children are likely to lose out in Canada even in the early years. The seven disconnected federal early childhood education and child care programs have not resulted in wide access for Aboriginal children. Indeed, federal funding for these has dropped in recent years.

One early childhood expert<sup>4</sup> has noted that in child care “access without quality is of little merit”. Although Canada has many excellent child care programs, overall research, indicators of quality (such as staff training requirements and wages) and structural characteristics of child care programs (such as for-profit operation and under-funding), suggest that the quality of Canadian child care centres is more likely to be mediocre or poor rather than high quality.

Without a publicly-funded and publicly-managed child care system<sup>5</sup> with sustained public funding and well-designed policy, Canadian child care follows a market model, an approach demonstrated to lead to limited and inequitable access and quality. One key aspect of marketization in child care is reliance on for-profit child care, which research demonstrates to be of generally poorer quality and to provide poorer access.

Profit-making child care had declined relative to public and non-profit provision throughout the 1980s and 1990s but began to increase again in 2006. New multi-province “big-box” corporate child care operations (several with 50+ centres) and a plethora of home-grown chains (together with limited growth in non-profit child care) has bumped the for-profit share of total spaces up from 20% in 2004 to 29.4% in 2012. This is a major concern as research shows that for-profit child care is likely to deliver poorer quality and access, while analysis of the effects of publicly

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<sup>4</sup> Adam Pokorny, Deputy Head, Directorate-General for Education and Culture, European Commission.

<sup>5</sup> See the Childcare Resource and Research Unit's Quality by Design Project, for more detailed information about early childhood systems. See <http://www.childcarequality.ca/>

funding for-profit child care shows it to be an inefficient use of public money.

In seven provinces/territories, more than 40% of regulated centre spaces are operated for-profit.

### **It doesn't have to be this way**

Societies make choices about how their resources will be spent and who will benefit. While universal quality child care would benefit a large segment of the Canadian population, overall Canada is not generous to its families and children. Obviously, Canada as a whole does not spend a sizeable portion of its resources to benefit them. A 2006 OECD study<sup>6</sup> showed Canada to be one of the lowest spenders on public spending for benefits and services for families and young children as a proportion of GDP; Canada was fourth from the bottom among 20 countries in total cash benefits and services for families.

Quebec shows that political will can create the momentum to build a different approach to child care. A “new family policy”, announced in 1997 paved the way for a new four-part program: a more universal approach to child care for 0-4 year olds; full-day kindergarten for five year olds; school-based and delivered child care outside school hours for 5-12 year olds; and enhanced, more flexible parental leave.

Three main differences fundamentally distinguish Quebec child care from that in the rest of Canada. First, Quebec has a stated goal of universal child care for all families. Second, Quebec no longer uses the individual child subsidy model but pays most of the cost of child care directly to centres, with a flat \$7/day parent fee intended to keep child care affordable for all. These commitments are reflected in the third main difference between Quebec and the rest of Canada: Quebec spends much, much more public money on child care than does any other province. Sixty-six percent of Canada’s \$3.6 billion (public funding) for regulated child care is spent by Quebec.

<sup>6</sup> See Organisation for Economic Co-operation and Development, Directorate for Education. (2006) *Starting Strong II: Early Childhood Education and Care*. Annex C, pg. 246.

Since 1997, several changes in government have meant some shifts in approaches to the child care program. While publicly-funded (CPE) spaces for 0-4 year olds (including both centres and regulated family child care) are still too scarce to cover all children and the for-profit sector has grown substantially in Quebec, the current government has made a commitment to continue to expand the non-profit sector and to curtail the for-profit sector.

There appears to be a Quebec consensus (as there is in many other countries) that higher, better-focused public spending on child care can pay off through increased tax revenues and social benefits.

### **Why federal leadership is needed?**

Early childhood education and child care are clearly considered to be provincial responsibilities under Canadian constitutional agreements. However, other Canadian social programs under provincial jurisdiction (such as health care) have been developed through significant federal leadership and funding. Many observers believe that without federal leadership and federal funds, child care in Canada will continue to fall behind.

Few would suggest that child care services should be identical everywhere in Canada. However, as the federal government's withdrawal has left each province/territory to 'go it alone', child care has become more and more disparate in ways that affect families every day – type of services, availability of spaces, fees, quality indicators, educators' employment conditions, condition of facilities and equipment, frequency of monitoring – even basic health, safety and food.

Can Canada afford to rethink our spending on child care? The economic benefits – recently restated by the TD Bank whose report called them “unquestionable” – are clearly significant. The TD Bank's report went on to note that:

Ultimately, investment in early education can help to address core economic and social challenges facing Canada. It can help reduce poverty, address skills shortages, improve productivity and innovation, and a host of other national priorities.

At the same time, the Universal Child Care Benefit (UCCB) — the “replacement” for the national child care program cancelled by the Harper government — has cost Canadians \$15 billion or \$2.5 billion every year since 2006. If we had used public dollars differently — to build an early childhood education and child care system instead — we could have had affordable spaces for 333,333 more children. Clearly, *how* child care funds are spent is as important as *how much* is spent.

The claim is made that the UCCB delivers “choice in child care”. But when there are no options, there are no choices. Today, most Canadian families have very few options in early childhood education and child care. Many have no good options at all as Canadian child care is scarce, costly, under-funded, inequitably distributed, and often of less-than-stellar quality. By redirecting the UCCB back to child care, Canada could begin to address the gaps in our child care system and make sure that all parents have access to affordable, quality child care services.

### **More than a matter of luck**

Without a real early childhood education and child care system that builds and ensures access and quality, child care will continue to be a matter of luck — living in the right part of the country, having the money, getting on a long wait list at the right time — even having a baby at the right time of year — as new generations of Canadian parents continue to struggle to find and afford quality child care. Yet we know that creating a child care system from which all Canadians can gain is possible, with well-formed policy and political will.

Given what we know today, can we afford not to provide child care for all? Let’s rethink child care.