



Backgrounder

**Child Care:
Good for Families,
Good for the Economy**

November 2018



Canada's child care system today

Despite the fact that unions have been working with child care advocates and educators to pressure the federal government to establish a national, affordable child care program, Canada still does not have one.

In the past, there have been tweaks to the patchwork of benefits that are supposed to help parents care for their children, but there has been a refusal by the federal government to introduce a comprehensive system.

In 2017, the Liberal government signed a Multilateral Early Learning and Child Care Framework with the provinces. It commits to the principles of affordability, accessibility, quality flexibility, and inclusivity that will govern service delivery by the provinces and territories. The framework also establishes federal funding over a period of time.

The signing of the framework is a good step toward recognizing the value of, and overwhelming need for, affordable child care. But more must be done to turn this conversation into reality. Because, as we wait for movement, there are those who are looking to get rich off government inaction.

The surge of for-profit child care

Since Canada does not have a national program for child care, and provinces have not filled the gap completely, for-profit companies see this as a huge market in which to expand. Experience and research show that for-profit, corporate, or big-box child care centres built on the free market system have numerous problems.

The most obvious problem is the profit factor. A profit-driven model means keeping costs as low as possible. This means saving money on overhead, staffing, and programming costs. Things like wages, working conditions, and training tend to be compromised. Low-wage jobs and poor working conditions can lead to high staff turnover, low morale, and higher staff-to-child ratios, which affect the quality of care. As much as finding ways to save money is part of the profit mindset, so is finding ways to increase their profit-making ability. Even decisions such as where to open child care centres are part of their strategy. Despite the need for child care services throughout cities, for-profits target neighbourhoods where families have the ability to pay higher fees. Right now, 44% of families live in child care deserts.

Some profit-driven child care operations also have the resources to go after the meagre funding that some governments provide, leaving very few resources for other centres.

Needs of children at heart of public not-for-profit child care

Not surprisingly, when you take away the for-profit approach to child care, you see who is at the heart of the program: children. The not-for-profit model shifts the emphasis to providing the best care rather than making the most money.

Governance and decision-making also show the distinction between the 2 approaches. Not-for-profits operate with a board of directors, often with parents sitting at the table helping to make decisions. And with the concept of care at the centre of its mandate, child care workers can take the time to tend to the personal care children need to grow and develop.

Rather than focusing on making a profit, not-for-profits can put any surpluses back into the operations. Issues like staff retention, decent wages and benefits, and improved training become priorities. Programing directed at the care needs of the children, and activities to encourage development, are a central part of the education plan.

And for families, not-for-profit care can be more affordable. Some provincial governments have subsidies available to offset child care costs; however, to ensure that all families have affordable child care, the federal government needs to put in place a national public system. By lowering fees, a family's money can be put toward other aspects of family life.

Starting education off right

Universal child care has the ability to combat the issue of income inequality by providing all children, especially those from low-income families, with improved educational opportunities. Child care and early childhood education give kids a head start in learning and developing as individuals. They provide children with the environment that will build a strong foundation for their physical, social, emotional, and mental development.

Early learning creates curious, self-confident children. They are exposed to new ideas and learn to think critically as they mature. Child care and early learning allow children to socialize with people outside their own families in a safe environment. They allow children to learn from experiences, like the ability to work with others, what it means to respect others, how to be patient, and how to concentrate.

This kind of early education provides increased opportunities in the long run and furthers the progress of individuals and society as a whole. Children mature into active and engaged adults who are better able to contribute in their communities, their workplaces, and in society.

Improving women's financial security

When women stay home to raise children, it has long-term financial implications. Not only does this mean that women are not participating in the labour force but it means that their future economic security is being compromised.

If women do enter the workforce, they often find themselves in part-time, low-paying jobs, because they don't have enough experience due to the years of caregiving at home. Our system does not value the work as caregivers in a financial sense, so when it comes time for advancement, women have limited avenues for progression. When women hit retirement age, their situation can worsen with inadequate pensions.

Affordable child care helps women to participate more fully in the workforce and become financially secure.

Creating well-paying local jobs

Through a national system of child care, workers would be able to earn a fair wage.

When good jobs are created in a community, those salaries tend to stay in that community. With well-paying jobs, workers have more money to spend on housing, food, and activities — all things they get where they live!

Women tend to be the main consumers of child care, but they are also the central providers of early education and child care. The Canadian Research Institute for the Advancement of Women reports that despite that 95.5% of these workers have post-secondary training, most earn less than the average provincial wage.

Child care jobs have become a female job ghetto with systemic underfunding and where workers are undervalued.

Contributing to a stronger economy

There are sound economic reasons for governments to invest in a national child care program. By supporting a public system of quality child care that is affordable, you are directly helping families, and the economy, grow stronger.

In 2017, the Conference Board of Canada released a new report on the economic impacts of child care, illustrating that every \$1 spent on child care results in \$6 of economic benefit down the road. It suggested that increasing the number of women in the job market and expanding early childhood education would result in approximately 23,000 families—many of them single-parent families—being lifted out of poverty.

By working, women contribute to our tax base, which helps fund other public services we all rely on. The Bank of Canada Governor, Stephen Poloz, has said that helping more women, Indigenous people, recent immigrants, and people with disabilities enter the job market, the labour force could expand by half a million people. That would raise Canada's revenues by \$30 billion per year or 1.5 per cent.

Today child care is one of the biggest expenses for families. For many parents, monthly child care costs can be even more expensive than mortgages. In fact, according to CRIAW, "Women spend on average 15%–34% of their income on licensed child care."

Other research has shown that having an affordable child care program has economic benefits. In Quebec, where the province has had \$7 per day child care since 1997, the prime-age female workforce participation went from 74 per cent in 1998 to 87 per cent today. As of 2018, Quebec has increased fees to range from \$8.05 per day (for those making less than \$51,340) up to \$21.95 per day for the first child (for those making more than \$165,000).

Having access to child care may help increase women's participation in the workforce, benefiting the country's tax base, but without government ensuring the affordability principle, families will remain financially challenged.

When we support public child care, we lessen the financial burden that is created by high child care costs. When this happens, it allows parents and families to redirect that money into the economy, especially the local economy.

Moving forward

We call on the federal government to inject sustained funding into child care to meet the needs of families across the country. The business plan for a national, publicly funded, and affordable system is sound and benefits us all.

In the meantime, the government must ensure its 2017 Early Learning and Child Care Framework is implemented by provinces and territories by providing care for the families most in need. These include low-income families, single parent families, Indigenous families, those living in underserved communities, families working non-traditional hours, and those with children with varying abilities.

The federal government should increase its support for families through improved parental leaves. These leaves need to ensure that parents have the resources and time to adequately care for their child.

Governments must stop the expansion of for-profit corporate child care in Canada. The government can use funding to help lower child care fees and create more publicly funded not-for-profit child care spaces.

Canada needs to develop a well-funded public education system that incorporates care from infancy through to elementary school. This would reduce the high costs families have to pay for care, would ensure there are enough spaces, and encourage more women to enter or return to the workforce.

The government must put in place other public services and social programs that support women balancing work and family responsibilities. This includes negotiating workplace supports to achieve this goal.



NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

- B. C. Government and Service Employees' Union (BCGEU)
- Health Sciences Association of British Columbia (HSABC)
- Health Sciences Association of Alberta (HSAA)
- Saskatchewan Government and General Employees' Union (SGEU)
- Manitoba Government and General Employees' Union (MGEU)
- Ontario Public Service Employees Union (OPSEU)
- Canadian Union of Brewery and General Workers (CUBGW)
- New Brunswick Union of Public and Private Employees (NBU)
- Nova Scotia Government and General Employees Union (NSGEU)
- PEI Union of Public Sector Employees (PEI UPSE)
- Newfoundland & Labrador Association of Public and Private Employees (NAPE)

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