

Child care plan an economic boost for B.C.: report ^[1]

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EXCERPTS

Heather Allen was working for an organization she believed in, doing a job she loved. Then she had a baby.

Toward the end of her maternity leave, she started looking for child care in downtown Vancouver. Waiting lists were between two and three years, so she didn't even bother signing her daughter up.

"In the stress of trying to find child care, we just sort of thought, no, I guess I won't go back to work. So, here I am, like many of my friends," Allen said. "We're educated, experienced, resourceful women and we can't find our way back into the workforce."

Allen would have liked to return to full-time work with her former employer if she'd been able to find an affordable child care space, something the \$10aDay Child Care Plan, proposed by the Coalition of Child Care Advocates of B.C. and now part of the provincial NDP's election platform, promises to deliver.

If implemented, the plan, estimated to cost the B.C. government an additional \$1.5 billion a year, would create 31,215 new full-time child care spaces by 2025, reduce fees for parents — currently as high as \$100 a day in some places — to \$10 and provide a living wage for child care workers.

The B.C. Liberal government has consistently written off the plan as cost prohibitive for the province, but a study released Tuesday predicted the plan will more than pay for itself within three years of implementation.

The plan would generate a two-per-cent — or \$5.79-billion — increase to provincial GDP by the time it is fully implemented in 2025, predicted Robert Fairholm of the Centre for Spatial Economics, an independent research firm, and Lynell Anderson, a Chartered Professional Accountant, who prepared the report for the Early Childhood Educators of B.C.

This increase is more than three times what it will cost the B.C. government to implement the plan. Even three years out, in 2020, the plan would bring in \$112 million more than it would cost, the report stated.

The increased government revenues would come from the jobs generated through expanding and operating the new system, taxing the income of parents such as Allen, who would return to the workforce, and single parents who would move off social assistance and into a job.

"Increased employment on full implementation is in the range of 2.8 per cent, or 69,100 net new FTE jobs, which is an employment multiplier of 36.4 jobs per million dollars of spending," the authors wrote.

Previous research has shown other benefits from implementing the plan include households that are no longer as pressured by child care expenses, freeing them up to spend money on other things. Businesses also see more productivity and less absenteeism from employees who are parents, the report said.

Officials from the Ministry of Children and Family Development had not analyzed the details of the report by deadline. Minister Stephanie Cadieux recently said the program's \$1.5 billion per year price tag "simply isn't affordable" and would create a \$1.3 billion-a-year shortfall if taxes were raised on those earning more than \$150,000 per year. This shortfall would have to be made up through additional tax increases or program cuts, she said.

Kevin Campbell, an investment banker and managing director at Haywood Securities, funded the study through the Lochmaddy Foundation. He is not a parent, but called B.C.'s current child care system an "injustice. I know too many people ... that are breaking under costs like this," he said.

"It just seems like something that should be more of a shared responsibility in society rather than discouraging young families from having kids due to costs like this which are extremely high, anywhere from \$9,000 to \$12,000 a year on average."

Meanwhile, Allen is a part-timer for a startup. She brings her two-year-old daughter to drop-in daycare, but feels her work suffers because

she has to keep a constant eye on the clock. She would prefer to work full-time.

In North Burnaby, Janine Pickerell is still on maternity leave with a five-month-old son, but contemplating not returning to work because the waiting lists for child care are long and the costs are high enough that she'd only take home about \$1,000 a month.

Her job has a pension plan and benefits and in a perfect world she'd like to go back.

"I don't know what to do."

-reprinted from Vancouver Sun

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