

# Opinion: \$10aDay child care will provide high economic returns

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## EXCERPTS

Over the years, I have worked with academic, professional and community colleagues to develop the proposed \$10aDay Child Care Plan – a made-in-B.C. solution to our growing child care crisis.

Without the Plan, young people can't afford to have families, pursue careers, and contribute to our economy. Child care fees are too high for most parents – typically the second highest family expense, after housing.

That's assuming families can even find child care in B.C. as we only have regulated spaces for about 20% of children. Too often, families are forced into unregulated care, with no monitoring and no safety standards.

Under the Plan, families will pay a maximum of \$10 per day for high quality child care, with no fees for those earning less than \$40,000 annually. Child care programs will be provided by well-educated, fairly-paid caregivers. More affordable, regulated spaces – in centres, schools and family homes – will give parents real options, and let them choose what's best for their children. We'll reduce child and family poverty and help families stay, work and participate in rural and remote B.C. communities.

If jobs and the economy are priorities for the B.C. government, the upcoming provincial budget will include funds to begin implementing the \$10aDay Child Care Plan.

While each of the economists I've worked with brought different lenses and expertise to their analyses, all of the studies reflect well-established research and all use B.C. data to show that the benefits of making high quality child care broadly available and affordable outweigh the costs.

The first study, commissioned by the Business Council of B.C. and led by UBC's Paul Kershaw (2009), focused on the impacts for children. The study confirmed that children who experience high quality early care and learning become healthier, more productive adults which in turn leads to higher earnings, higher tax revenues, and reduced government spending on health, social assistance, and criminal justice.

Two recent studies, led by economists Iglia Ivanova (2015) and Robert Fairholm (2017), focus on the near-term benefits for families, employers, and governments, and in particular the well-established link between affordable child care and mothers' labour force participation.

Using a standard methodology, and conservative estimates of the increase in mothers' labour supply, Fairholm projects that the Plan will have a significant and positive impact on GDP and jobs, and will generate sufficient overall government revenues to pay for the additional government spending required to build and operate the system. He also projects substantial benefits to employers and households throughout the implementation period. These gains will provide particularly significant benefits to single mothers and help many families to leave social assistance, which will reduce income inequality.

What's the bottom line? On full implementation, the \$10aDay Child Care Plan will add \$5.8 billion to GDP, create 69,000 jobs across B.C. and raise enough government revenues to cover the estimated \$1.5 billion incremental annual cost. Clearly we don't have to choose between a strong economy and making B.C. more affordable for families. By implementing the \$10aDay Plan, we'll have both.

The Plan will provide higher economic returns than typical government investments, even in the short term. At the same time, it will make life more affordable for families who have or hope to have young children.

With new federal child care funding on the table this spring, now is the perfect time for B.C. to start building a system that ensures all families have access to stable, supportive and affordable child care in their communities.

Implementing the \$10aDay Child Care Plan will also be a popular move, as public support grows daily. Thousands of British Columbians, 46 local governments, 30 school districts plus hundreds of community and business organizations have signed on, realizing the benefits for

children, parents, employers, communities and our economy.

The economic studies put to rest any lingering questions about the Plan's affordability. And, one major political party – the B.C. NDP – has committed to begin implementing it if elected. As we look to the upcoming provincial budget and election, I encourage all other political parties to do what's best for B.C. families and the economy, and support the proposed \$10aDay Child Care Plan.

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