

Opinion: Child-care investment should be a priority for British Columbia ^[1]

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EXCERPTS

As the British Columbia election approaches, there is momentum building toward the realization of an affordable and accessible child-care system. In January, the Greater Vancouver Board of Trade called upon the government to “increase supply and access” to licensed spaces. In a February poll for Postmedia of 2,352 British Columbians, 46 per cent said they support a \$10-a-day child-care plan, while 29 per cent oppose it and 25 per cent are unsure. I appeal to the latter two cohorts to approach child care from a different angle.

You may be unmoved by the financial burden and human element of unaffordable and insufficient child care, such as the fact the median cost is \$1,325 a month for the licensed care of children under the age of three in Vancouver or that regulated spaces are available for just 23 per cent of kids under the age of five in the province. You may be unfazed by the countless stories of women, particularly single mothers, compelled to withdraw from the work force, or of families struggling to make ends meet because of stifling costs. But the case for child care doesn’t require the pulling of heartstrings. Cut them, if you wish, and focus on the wallet.

For anyone who believes that public infrastructure can produce economic benefits, as the vast majority of Canadians do, child care is a superior investment. It is in your economic interest to support a public system, whether you are young or old, man or woman, with children or without.

By way of comparison, consider a new bridge. A need is identified to connect population centres to facilitate the more efficient movement of goods and people from one area to another. Benefits accrue from construction employment, higher productivity, wealth creation (particularly land) and toll revenue.

Child care achieves the same and more. A 2017 study by the Centre for Spatial Economics (C4SE) evaluated the effect of the \$10aDay Child Care Plan, a project of the Coalition of Child Care Advocates of BC and the Early Childhood Educators of BC. The study found that the \$10aDay plan (which, in the interest of full disclosure, was funded by my charitable foundation) demonstrated a positive construction effect to build the required capacity.

It also presented evidence of strong workplace-productivity improvements. Reducing employee turnover, retraining costs and absenteeism produces real results for the bottom line. Incomes, household wealth and tax revenue all advance as employment increases by almost 25,000 owing to the mothers’ labour supply effect and by allowing families to direct more disposable income toward consumption.

And there’s a bridge toll equivalent, too: \$10 a day in this case, roughly 20 per cent of the cost under the status quo.

Now let us consider the building of a new hospital. Outcomes include construction activity, new direct employment and a healthier, more productive population.

Once again, child care also gives construction a boost. On new direct employment, the C4SE study envisions an additional 19,400 jobs within the child-care system once the plan is fully implemented. To the broader population goes the benefit of reduced public expenditures on both social assistance and education, as high-quality child care produces better-prepared future students.

The study estimates a GDP multiplier effect for the \$10aDay Child Care Plan of 3.0, meaning every dollar that goes into the program is returned threefold to the economy, and observes that “child care programs have very large multipliers, ranking among the largest of any economic sector.” The direct, indirect and induced impacts of the plan at full implementation are expected to grow GDP by \$5.8-billion, or 2 per cent of the provincial economy. It will generate 69,000 jobs – a boost of 2.8 per cent. And government revenue created by the program is projected to ultimately surpass the required government spending by more than \$150-million.

Those are big numbers. They demonstrate that child care possesses exceptional public-investment virtues. Those who focus on the cost side of the equation alone, ignoring the resulting benefits, are telling only half the story. That is ill-informed at best; ideologically

disingenuous at worst.

B.C. projects an enviable \$1.5-billion fiscal surplus for 2016-17. It is time to take a sliver of that amount, begin the gradual roll-out of a comprehensive child-care system, and let the people of B.C. reap the economic benefits.

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