A modest start on the child care funding gap [1]

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There is no doubt that the 2017 federal budget signalled that the federal government is getting back into the child care game. This follows a decade of (at best) inaction. Today, finding and affording quality child care remains a matter of luck for most parents, depending on where they live, how much money they earn, what work they do, and whether they have an infant, toddler or child with special needs.

The budget also contains welcome news for both the action-starved child care movement and for solution-starved "Generation Squeeze" parents. But are assessments of the child care funding as "massive," gender-gap busting and middle-class building warranted? And are the government's commitments and the finance minister's expectations realistic, given the scope of the funding? Looking at the evidence makes many of us who have been studying child care for so many years not so sure. Although the budget commits to long-term funding (for which provinces and advocates had asked), it's plain that even the decade-long commitment is much too limited to allow the government's goals (to help all children get a better start in life, help mothers who wish to work to return to work, support families by reducing the heavy burden of child care costs) to be realized, let alone to fulfill feminist dreams of universal child care.

The federal budget plan pretty accurately describes the consequences of Canada's shockingly low level of public support for early childhood education and child care (ECEC). Services are scarce, child care space availability is patchy, fees are unaffordable and the quality is uneven. The budget document notes: "In 2014, a regulated child care space was available for approximately one in four children in Canada, a rate lower than best-performing OECD countries, with rates at about 50 percent or more." Scarcity and high cost are significant sticking points for low-, modest-, middleand even upper-middle-income families. In Toronto, average annual child care fees reach — and sometimes exceed — $20,000 per child. In several provinces, very low-income families who are "fully subsidized" by provincial fee subsidy programs still have to pay an additional $5,000 per year per child. Quebec, however, pays much more substantial public funding directly to services, so affordability is protected for modestand middle-income parents lucky enough to secure a quality space.

The budget documents don't mention that Canada ranks last among OECD countries on quality and accessibility benchmarks. Nor that we're the lowest ECEC spender among OECD countries, spending only an estimated 0.5 percent of GDP, although the international minimum benchmark (exceeded by several countries) is 1 percent of GDP per year. Nor does the budget mention that the UN committee on the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) recently found Canada exceedingly deficient on child care, recommending that the federal government take action to make child care more affordable and accessible.

Analysis of child care centre financing shows that affordable, inclusive, high-quality child care needs regular operating funding to pay decent wages to staff (whose remuneration consumes 85 percent of a not-for-profit budget), feed the kids, maintain the premises and purchase supplies. These are not one-time-only costs, as children need good staffing, healthy food and safe premises year after year.

Even to keep the status quo requires maintaining the same level of funding plus inflation. Currently, only 24 percent of Canadian children ages 0-5 have access to a licensed space. Public funding needs to increase significantly year after year to develop and maintain additional spaces. Otherwise new generations of parents will continue to pay out-of-pocket to fund operating costs — the very model responsible for today's sky-high fees, low staff wages and low supply in most of Canada.

For this reason, conceptualizing child care funding as a cumulative lump sum ($7 billion over ten years) rather than an annual figure is not very useful. The budget shows $545 million to be spent in Year 3 for all of Canada, $550 million in Years 4 and 5, ultimately ramping up to a high of $870 million in Year 10. To put these annual figures in context: In 2014, Quebec's annual child care budget was $2.5 billion — almost three times the funds in the federal budget in Year 10 (2027/2028). Another helpful comparison is with the 2005 National Child Care Program (put in place by Paul Martin's government but cancelled by Stephen Harper's before it got off the ground); about $1 billion annually was committed to this for the initial five years. A final comparison to the international ECEC benchmark of "at least 1 percent of GDP" every year suggests that the budget's projected $870 million per year in spending at the end of another decade means Canada will still be at the bottom — far behind the public child care support expended by Canada's peer countries.

Years of austerity have conditioned many Canadians to expect little social spending from their national government. In this context, even small proposals may be seen as cause for optimism. And indeed, the budget does offer a start on repairing the vast gaps left by a decade of inaction.

But Canadians must insist that affordable, quality child care — critical for women and for children, for middle-class families and those living in poverty, and for strengthening productivity and economic security — warrants more funds than were promised over ten years ago. Post-2017 federal budget, there is much to be done if parents are to be able to move beyond relying on a stroke of luck.

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