

# Expanding early childhood education and care in Canada yields significant economic and societal benefits <sup>[1]</sup>

**Author:** Conference Board of Canada

**Source:** News Wire

**Format:** Article

**Publication Date:** 25 Oct 2017

## AVAILABILITY

Read online <sup>[2]</sup>

## EXCERPTS

Expanding early childhood education (ECE) and care in Canada would provide sizable benefits, such as improving children's academic outcomes and future wages, reducing income inequality and bringing many families out of poverty. A new Conference Board of Canada report finds that for every \$1 spent on expanding ECE enrolment of children under 5 years of age to the Organisation for Economic Co-operation and Development (OECD) average would yield close to \$6 in economic benefits.

"More widespread use of early childhood education programs helps address income inequality by improving educational opportunities for disadvantaged children and lifting wages of low income families. The economy and society benefits when more mothers enter the labour force and when children who have received additional early childhood education enter the workforce," said Craig Alexander, Senior Vice-President and Chief Economist, The Conference Board of Canada. "Yet, despite the evident benefits of extended access, Canada lags its international peers."

## Highlights

- Canada's early childhood education enrollment for children under 5 years of age falls substantially below the OECD average.
- Expanding early childhood education and care in Canada would increase the participation of women in the workforce, improve educational outcomes for children (especially disadvantaged children), and reduce income inequality.
- In each scenario examined in our report, the economic benefit from expanding early childhood education programming exceeds the cost.
- Introducing expanded early childhood education programming could lift as much as 23,000 Canadian families—many of them single-parent families—out of poverty.
- Children who receive effective ECE—either through kindergarten, pre-kindergarten, or licensed childcare programs—develop better cognitive abilities, and math and reading skills. The improved educational outcomes, in turn, boost their earnings later in life.

Canada does a good job of ensuring that all 5-year old children have access to early childhood education through kindergarten programs, but enrollment for children under 5 years of age falls substantially below the OECD average. Canada's enrolment rate for children aged 2-4 year is 58.4 per cent, significantly lower than the OECD average of close to 70 per cent. While in countries such as France and Belgium, the enrolment of children aged 2-4 exceeds an estimated 90 per cent. Bringing Canada's enrolment rate for children aged 2 to 4 up to the OECD average would allow 134,000 more children to access ECE programs. Moving to the OECD optimal level would result in almost 400,000 more children attending ECE programming.

At the same time, if Canada were to increase ECE rates to the top-performing level in the OECD, this would result in an additional 76,500 women in the workforce. Increased labour force participation would boost household incomes, which in turn generates greater spending and higher GDP. As well, both the provincial and federal governments would collect more tax revenues.

Our analysis shows that investments in ECE that bring mothers into the workforce will result in a more equitable distribution of family incomes. In 2015, Canadian families with young children where the mother didn't work made up 43 per cent of low income households (below \$36,000), compared to just 12 per cent of those with working mothers. Introducing extended ECE programming would drop income inequality for families with young children by 2.3 per cent (as measured by the Gini coefficient, which calculates how the distribution of income among individuals within a country deviates from an exactly equal distribution). This is an impressive result given that expanding all-day kindergarten to children under 5 would only affect 0.5 per cent of census families. More importantly, about 23,000 families—many of them single-parent families—would be lifted out of poverty after the introduction of an expanded ECE program.

The report, *Ready For Life: A Socio-Economic Analysis of Early Childhood Education and Care*, suggests the most important dimensions for policymakers to tackle are enrolment and the duration that children receive the programming. This is one of the areas where Canada

falls well below OECD standards, and it is the key factor tied to a boost in future academic scores. It recommends that provinces that do not currently offer full-day kindergarten to all children aged 4 and 5 should draft and implement a plan to provide these services so that all Canadian children have equal access to ECE regardless of what province or territory they live in. Provinces where full-day programming is already available to children aged 4 and 5 should plan to extend the provision to 3-year-olds. The remaining provinces and territories should work toward matching this coverage after they have implemented full-day kindergarten for 4- and 5-year-olds.

Ensuring all Canadian children aged 4–5 have access to full day kindergarten would cost an estimated \$2 billion in annual operating costs and \$1.8 billion in one time construction costs. However, the economic benefit derived from this investment would exceed the cost.

Funding for this research was provided by the Margaret and Wallace McCain Family Foundation.

-reprinted from News Wire

**Related link:**

**Region:** Canada [3]

**Tags:** child development [4]

outcomes [5]

economic [6]

funding [7]

accessibility [8]

affordability [9]

mothers labour force participation [10]

---

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/17/10/expanding-early-childhood-education-and-care-canada-yields>

**Links**

[1] <https://childcarecanada.org/documents/child-care-news/17/10/expanding-early-childhood-education-and-care-canada-yields> [2] <https://www.newswire.ca/news-releases/expanding-early-childhood-education-and-care-in-canada-yields-significant-economic-and-societal-benefits-653302303.html> [3] <https://childcarecanada.org/taxonomy/term/7864> [4] <https://childcarecanada.org/category/tags/child-development> [5] <https://childcarecanada.org/category/tags/outcomes> [6] <https://childcarecanada.org/taxonomy/term/8966> [7] <https://childcarecanada.org/category/tags/funding> [8] <https://childcarecanada.org/category/tags/accessibility> [9] <https://childcarecanada.org/category/tags/affordability> [10] <https://childcarecanada.org/taxonomy/term/8942>