

Opinion: Doug Ford, what is your child care plan? ^[1]

The Liberals and NDP have bold plans for expanding daycare, but demand is high and growing and paying for it is expensive. Here are some options Ford can consider.

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EXCERPTS

What will Ontario PC leader Doug Ford do for children and families in this election? The Liberals and the NDP have set a high bar with their child care funding announcements — free preschool child care with the Liberals and fees based on income averaging \$12 a day with the NDP.

Let's look at Doug Ford's options.

There is a crisis of child care affordability in Ontario and it affects pretty well all families with young children. A recent study from University of Toronto, which I authored, found that 80 per cent of families cannot afford licensed child care — they would spend more than 10 per cent of their after-tax income to purchase it. That's already accounting for the subsidies that some low-income families get. Unlicensed sitters are not much cheaper and the quality and safety of care makes families prefer licensed care.

Increasing numbers of families are driven to combining parental work with providing unpaid care for their own children. It's a recipe for increased parental stress, and a particularly strong burden on mothers and family incomes.

Usually, it means the mother works at a paid part-time job, or drops out of the labour force for a while. That's why the Governor of the Bank of Canada, Stephen Poloz, has recently called for provinces to consider Quebec-style child-care funding to unlock some of the considerable potential for women's increased participation in the labour force.

So, what will Doug Ford do? He could go back to Patrick Brown's tax credit for child care expenses, as proposed in the "People's Guarantee" platform.

We looked at that funding alternative as part of the recent University of Toronto study. If the tax credit was designed to cover the full child care fee for children 0-6, it would improve affordability, but we estimate that it would cost \$3.2 billion per year.

That might not be within Doug Ford's budget. And, we find that it would be much worse for families earning below \$50,000 per year than the current subsidy system. These are the families that everyone agrees can benefit especially strongly from access to good quality child care. So much for helping the "little guy."

Another alternative would be the Universal Child Care Benefit approach that Stephen Harper tried — give money to families with young

children and let them spend it how they like. Of course, this would be popular – who wouldn't like more money with no strings attached – but it wouldn't achieve Stephen Poloz's objective of getting more parents employed, because it would discourage labour force participation.

And it would be expensive. There are close to 850,000 children in Ontario younger than school age, so if each one got \$5,000 per year to help with child care expenses or other costs, that would be about \$4.25 billion per year. And virtually no increase in tax revenues from additional employment to offset these costs.

The NDP's plan is generous but completely unrealistic. The NDP says it will phase in affordable child care starting with infants and toddlers in the second year of their mandate, moving on to preschoolers in the third year.

We estimate that more than 160,000 infants and toddlers would want to use licensed child care if the NDP plan was implemented. But there are currently spaces for only about 60,000. There would be long lineups for spaces; many families would be on a waiting list.

In the third year of their mandate, they would extend this sliding scale to preschoolers. Projected demand is about 182,000 preschoolers, much more than current capacity. The NDP plan is for shortages of capacity and long waiting lists, rather than a plan for affordable child care.

What's the best approach to making child care more affordable in Ontario? After a very thorough look at the details, our report concluded that concentrating first on one age group – 2½ to 4 years – and doing it right would be a much better way to build a system of affordable child-care services for families.

Otherwise, you risk ending up with poorer quality services and long waiting lists. The Liberal government wants to implement this plan of free preschool child care for all families, and make infant and toddler care more affordable as capacity expands.

Turns out making child care affordable for families is more complicated than it appears. Over to you, Mr. Ford.

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