

Why free preschool child care makes the most sense for families

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EXCERPTS

The Ontario Liberals recently announced a plan to offer free child care for preschoolers — from the age of 2.5 years until they start kindergarten — to every family that wants it by 2020.

Premier Kathleen Wynne also announced Thursday funding for new licensed child-care spaces in community locations — such as community centres, places of worship and Indigenous friendship centres — in support of this goal.

Many people find this approach surprising because child care for infants and toddlers is much more expensive than care for preschoolers. They question how tackling preschool spaces first makes sense as the best way to improve child-care affordability.

Indeed, Ontario's NDP has vowed they will “do better” and make child care affordable and accessible to children of all ages, all at once.

I am an economist at the University of Toronto who has researched child-care policy for the last 30 years. As the main author of the new study, “Affordable For All: Making Licensed Child Care Affordable in Ontario,” which was commissioned by the government of Ontario, let me try to explain why free preschool really does make the most economic and social sense.

A burden on mothers

Child care is very expensive across Canada. A typical Ontario family could expect to pay at least \$15,000 annually for an infant's care, \$13,000 for a toddler and \$10,000 for a preschooler. If the family lives in Toronto or some other cities, fees can be considerably higher.

Our study, which the Ontario Liberals' plan is based upon, found that more than 80 per cent of Ontario families with children of up to four years of age cannot afford the cost of licensed child care.

Many of those who can currently afford it are lower-income families lucky enough to obtain scarce subsidized spots.

On average, Ontario families spend over 23 per cent of their after-tax household income on licensed child-care services. On average, it amounts to 67 per cent of a mother's take-home pay.

This is enough of a barrier to keep many mothers out of the labour force, and to compel others to cobble together part-time work or self-employment with unpaid care arrangements.

In other words, the child-care affordability crisis puts a real burden on families, especially on mothers.

Helping more families

Since nearly all families cannot afford child care, the solutions need to be comprehensive, not targeted.

It's not enough to provide assistance only to low-income families; Ontario already has a child-care subsidy system that does that, and it only helps a small minority of families.

If the government puts money into preschool child care, it improves affordability for a very large number of Ontario families.

There are more than 100,000 Ontario children currently using preschool child care. There are another 60,000 to 100,000 likely to use it when it is made free. Licensed child care is very well accepted as positive for children and families once children reach 2.5 or three years of age. And far fewer families use infant or toddler care.

So if you want to make child care affordable for the maximum number of Ontario families, starting with children at preschool age is the way to go.

Think of it as moving the child-care affordability finish line. Right now, a child has to reach kindergarten before the crushing affordability burden diminishes. Making preschool child care free moves the finish line back to 2.5 years. For every child in Ontario.

Avoiding Quebec's mistakes

Another key factor stems from the experience in Quebec. Quebec started its child-care reforms in the 1990s with great plans to build a high-quality system, with most children using high-quality community-based child-care centres called CPEs (Centres de la petite enfance) at \$5 per day.

But the province made the mistake of offering these widely affordable child-care services before they had capacity to serve the explosion of demand.

The Quebec government then had to allow lower-quality, for-profit child-care centres to provide many services. They also had to dramatically expand home child care, a sector that often uses caregivers with little training or supervision.

Research studies found this child care to be of relatively low quality. This created several problems for children and families. On top of all this, middle- and higher-income families got a disproportionate share of the good quality CPE places.

So child care is very affordable in Quebec, but not of great quality. And the highest quality services are not fairly distributed among income groups.

It's crucial for Ontario to avoid these missteps.

More parents in employment

At present, Ontario has only 14,000 infant spaces, about 45,000 toddler spaces and 110,000 preschool spaces. In other words, there is only capacity for about seven per cent of Ontario's infants and about 32 per cent of toddlers but as much as 67 per cent of preschoolers.

If infant and toddler child care were made affordable tomorrow, there would be an instant Quebec-style crisis of too much demand and too little supply.

By channelling the new funding towards preschool-age children, Ontario has a much better chance of building a well-managed, publicly funded system of child-care services.

Making preschool child care free will dramatically improve affordability for Ontario families.

It will lead to a predicted increase of 40,000 parents in full-time employment. And it will increase net tax revenues and economic well-being.

There will still be child-care affordability problems at infant and toddler ages. However, as licensed capacity is built for preschoolers, the government can require complementary increases in infant and toddler capacity. As this capacity increases, additional improvements to affordability should be made.

This story has been updated to clarify that the author's report — "Affordable For All: Making Licensed Child Care Affordable in Ontario" — was commissioned by the government of Ontario.

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