

# Investing in Early Learning and Child Care: A Framework for Federal Financing <sup>[1]</sup>

A memorandum to the Ministry of Finance, the Prime Minister's Office and the Privy Council Office

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## AVAILABILITY

[Access memorandum](#) <sup>[2]</sup>

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## Excerpts from introduction

We are on the brink of a historic understanding that early learning and childcare (ELCC) is key to an economic recovery from the pandemic, our future potential for growth and our collective wellbeing. Just as the federal government supported the expansion of access to high-quality health care in the 20th century, the expansion of high-quality early learning and childcare is foundational to 21st century society. Before the pandemic hit, half of Canada's employed workforce was women. A shrinking cohort of working aged adults, and a growing cohort of those too old and too young to work, will necessitate women's continued high labour force participation rates.

Today more than 25 per cent of children begin school with learning or social vulnerabilities that will restrict their educational outcomes and life chances. Without doing more, we face long-term economic underperformance, by policy design. The OECD average rate of enrolment for children aged 0-12 is 70 per cent, mostly in publicly-managed care. It is unknown how many of Canada's roughly 5 million children aged 0-12 are in paid and unpaid care, but only 27 per cent are in regulated, licensed facilities. We must do better.

That raises two problems: the provinces and territories (P/Ts), in whose jurisdiction this policy lies, are cash-strapped; and the federal government tends to simply transfer money to provinces, with few conditions. Funding to merely add more child care spaces, as half empty centres attest, won't induce parents to enrol their children in the face of rising COVID cases. More child care spaces won't entice educators into under resourced classrooms for low pay.

Money without a strategy will simply expand a market that already fails many families. Building a high-quality, regulated system of early learning and childcare requires a plan and targets for outcomes. At the centre must be a robust plan for a well-supported and qualified workforce. Fifty years ago the report on the Royal Commission on the Status of Women noted workers who provide childcare get paid less than zookeepers. Sadly, this is still the case. We neither have sufficient numbers of qualified early childhood educators (ECEs), nor do we pay and support the ones we have enough to retain them. An Ontario study found that 30 per cent of the positions that by legislation should be filled by qualified ECEs are not and one in five centre directors have no ECE training. This is appalling, when you think what parents pay.

A system that addresses the needs of parents and children requires building more physical infrastructure, and more affordable access, but critically it requires more educators. This involves not just better wages and benefits, but an infrastructure that sustains quality work including access to excellence in pre- and in-service training; pedagogical leadership, and the availability of special needs specialists and family support workers to help address child/family needs, as in most schools.

The federal government can and should help the provinces and territories attain these achievable goals. To reach the OECD average spending on ELCC, Canada would have to increase expenditures from the pre-pandemic level of \$12.1 billion (of which only \$1.8 billion was provided by the federal government) to \$20 billion. That \$8 billion gap should be filled by the federal government, bringing it into a true partnership with the P/Ts in this legacy policy initiative. New funding should first stabilize regulated ELCC capacity, then help advance negotiated targets and timetables over a five-year horizon to expand 1 enrolment and ECE capacity in high-quality care. Acknowledging that all P/Ts are starting from a different place, but all need to improve, the federal government should provide 100 per cent federal dollars, not cost-shared funding, tied to advances in access to high quality care, not per capita allocations. We can and must do this, and fast. This memo shows how to proceed.

**Region:** Canada <sup>[4]</sup>

**Tags:** investment <sup>[5]</sup>

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