

# Sign the Ontario bilateral child care agreement with the federal government<sup>[1]</sup>

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## AVAILABILITY

[Read letter online](#) <sup>[2]</sup>

## EXCERPTS

RE: Sign the Ontario bilateral child care agreement with the federal government

October 18, 2021

Dear Premier Ford,

On behalf of the Ontario Chamber of Commerce (OCC), Ontario Nonprofit Network (ONN), and YWCA Toronto, we are writing to urge you to sign Ontario's bilateral child care agreement with the federal government.

There is overwhelming public and cross-sectoral support in Ontario to build a high quality, affordable, inclusive and accessible child care system.

There is also political will across all levels of government. It is more important than ever that your government seize this historic moment to deliver stable child care to Ontarians now and for years to come. Expansion of a child care system will significantly stimulate an inclusive economic recovery from the pandemic. An agreement that includes system-building elements, such as decent work conditions for child care workers and expansion of nonprofit and public child care spaces, will ensure high standards of care for families.

Cross-sectoral support for a child care system Together with 157 member chambers of commerce and boards of trade and our network's diverse 60,000 members, the Ontario Chamber of Commerce is the indispensable partner of business. For more than a century, the OCC has undertaken important research on Ontario's most pressing policy issues, advocating for solutions that will foster the growth of Ontario businesses and lead to the creation of jobs in the province. This work is based on the belief that strong businesses are the foundation of a prosperous Ontario. ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. 80 per cent of our one million workforce in Ontario consists of women workers, making child care a key issue for us to be able to continue serving communities. YWCA Toronto is Ontario's largest multi-service women's association, with a long and proud history of providing direct services and tackling systemic issues to help women, girls and gender diverse people escape violence, move out of poverty, and access safe and affordable housing. We offer more than 30 programs across the City of Toronto – all with the goal of promoting women's safety, well-being and growth in their communities.

## Child care is a down payment on Ontario's economic recovery from the pandemic

Readily available, low-cost child care will allow Ontarians to enter, re-enter, and remain in the labour market, combatting an emerging labour shortage that is particularly detrimental to small employers. More people now than ever before in Ontario's history will require some sort of employment and training services because of the scale of the pandemic's disruption across several industries. Reliable child care not only allows more women to participate in the labour market as they predominantly take on child care responsibilities, but also allows any parent to go back to school or attend training and skills development programs so they can find work in the first place. The rise of remote work opportunities has increased competition among employers. A robust child care system would be an incredible draw for employees and businesses who want to attract top talent. In the same vein, employees are attracted to communities with affordable local child care, regardless of whether they are working from home. A universal child care system will only help incentivize employers to do business in Ontario. Moreover, a strong early childhood education system ensures children are learning-ready, which has positive impacts on their long term well-being and reduces their reliance on social programs down the road. The dividend on signing a child care agreement is significant. Research across jurisdictions proves investing in a child care system that ensures its workforce is well paid and supported is an economic multiplier. Child care investments create jobs for child care workers - most of whom are women – as well as in the construction industry and in industries that sell supplies to child care centres. This results in increased consumer spending overall. Quebec's child care model is a great example of child care dividend return as for each \$100 that was invested by the Quebec government in child care, it returned \$104 to the provincial government and \$43 to the federal government. <sup>[1]</sup>

Provisions that will create flexible high quality child care choices for Ontarians

To ensure low parent fees, the elimination of child care deserts in rural communities, enough licensed and regulated spaces for all, and a well-paid workforce, Ontario's agreement must include the following provisions:

1. Commitment to child care system building rather than to patchwork solutions Tax credits and deductions can help parents that earn enough to pay child care fees upfront and/or are in a higher income bracket. They are not helpful for parents not yet working, not able to afford fees upfront, or in a low-income bracket – which accounts for the bulk of Ontarians during recovery. These policy tools also do not build child care spaces or a reliable universal child care system to last generations. The current patchwork of few spaces, exorbitant fees, and tax credits were not helping parents before the pandemic. The province's patchwork child care system was placed under tremendous stress during the pandemic as child care centres struggled to stay open.
2. Decent work for early childhood educators and child care workers Decent work conditions are the key to building a high quality child care system – without them, we are seeing a child care system that is unhealthy and unsustainable. Low wages, coupled with a lack of health benefits, paid vacation and sick days, pension contributions, and little to no professional development, create conditions for high staff turnover, low staff morale, and contribute to the ongoing recruitment and retention crisis. Inexperienced and untrained educators are often hired to fill the gaps. This is more likely to be the case in models that have to generate profit to distribute to shareholders, rather than in the nonprofit model. [2] The promise of greater cost-efficiency comes at the expense of high quality care. Sustaining and growing a qualified child care workforce must be accompanied with good quality child care jobs.
3. Expansion of public and nonprofit child care spaces Public and nonprofit child care accounts for three-quarters of Ontario's child care. It is a stable sector that is able to grow. Nonprofit and public sectors are well positioned to offer a variety of flexible, high quality child care choices to parents that do not compromise quality of care, safety, and working conditions. These business models are worth preserving and investing in because community assets, such as hospitals, seniors' homes, child care centres, and supportive housing options, serve people locally and are accountable to communities through their volunteer boards of directors. Nonprofit services are rarely sold and remain in their communities providing services, often for decades. This ensures long-term stability of essential services and public assets – and keeps them in public hands.

Public systems also save lives. The Child Care and Early Years Act (2014) was introduced in the wake of an inquiry into the death of Eva Ravikovich, a two-year-old girl in the care of an unlicensed child care provider. [3] Prior to the change in legislation, it was commonplace for unlicensed providers to have more children in their care than the law allowed. The financial incentive for unregulated providers to take on additional children outweighed the potential fines, which were unlikely to be levied in the first place. [4] It is imperative that any growth in child care be in licensed, nonprofit spaces that are subject to a higher standard of care and more stringent health and safety regulations. Allowing expansion of for-profit care risks more cases like that of Eva Ravikovich, which would be a tragedy for Ontario parents.

Nonprofits also know their local communities' specific needs and interests and so are best positioned to offer high quality care. This is far and away more advantageous than delivering a cookie-cutter approach or only expanding in higher income neighbourhoods and where fewer children have additional support needs. For example, during the COVID-19 state of emergency, many nonprofits quickly moved to deliver Ontario's 24/7 emergency child care for free. Faith spaces, multi-service nonprofits, and community hubs across rural and urban regions are already being repurposed as child care spaces across Ontario. Licensed, nonprofit child care can be offered at any scale – from local small sites, home-based licensed care, and multi-site centres – and at any time, including evenings and weekends which helps support shift workers and those working multiple jobs to get by.

**The stakes are high for families in Ontario Ontario parents and families cannot wait any longer.**

Deciding where to work, buy a home, and settle down also depends on the availability of strong local public infrastructure, like child care. Parents in Nova Scotia and Prince Edward Island – provinces that have signed child care agreements – are already receiving notices that their fees will be cut in half next year.

Time is of the essence. The sooner the deal with the federal government is signed, the sooner the economy will see a positive impact and families will see costs alleviated. No other economic policy or tool holds the same incredible potential.

We would welcome the opportunity to speak with you at your earliest convenience to discuss our recommendations, especially as you sign the agreement. Thank you for your serious consideration of this critical issue.

Sincerely,

Rocco Rossi, Ontario Chamber of Commerce

Cathy Taylor, Ontario Nonprofit Network

Heather McGregor, YWCA Toronto

Endnotes

**Region:** Ontario <sup>[3]</sup>

**Tags:** universal system <sup>[4]</sup>

policy <sup>[5]</sup>

investment <sup>[6]</sup>

federal budget 2021 <sup>[7]</sup>

**Source URL (modified on 11 Nov 2021):** <https://childcarecanada.org/documents/research-policy-practice/21/10/sign-ontario-bilateral-child-care-agreement-federal>

#### Links

[1] <https://childcarecanada.org/documents/research-policy-practice/21/10/sign-ontario-bilateral-child-care-agreement-federal> [2] <https://theonnc.ca/wp-content/uploads/2021/10/Cross-sectoral-child-care-letter-External-OCT-2021.pdf> [3] <https://childcarecanada.org/taxonomy/term/7856> [4] <https://childcarecanada.org/taxonomy/term/9083> [5] <https://childcarecanada.org/category/tags/policy> [6] <https://childcarecanada.org/category/tags/investment> [7] <https://childcarecanada.org/taxonomy/term/9163>