

What America can learn from Canada's new '\$10 a Day' child care system ^[1]

Canada's launch of a national child care system shows what it takes to improve child care across a country

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Excerpts

GIBSONS, British Columbia — Two years ago, Marisol Petersen's family was paying more than \$1,200 a month for her son to attend child care in this small, coastal town about 20 miles across the Howe Sound from Vancouver. Despite the cost, which made it hard to put any money in savings, she felt lucky to even have a spot.

Then, in September 2022, the family experienced a dramatic shift in fortune. They were notified that there was a spot for them in a nearby child care center that had recently signed on to a government-led initiative to lower parent fees to just \$10 a day. "It's like I won the lottery," Petersen said. "I got into child care and a '\$10 a Day' site."

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This idea — that parents should pay an average of \$10 a day for child care and that public funds should underwrite child care programs — is now a cornerstone of a new national child care system rolling out across the country.

During the pandemic, Canada, like the United States, was forced to grapple with the fact that its already unsustainable child care system was on the brink of collapse. In 2021, the country's leaders committed \$30 billion (about \$24 billion in U.S. dollars) over five years to the country's first federally-funded child care system — borrowing ideas from a longstanding government-funded program in the province of Quebec as well as from British Columbia's \$10 a Day program. The new Canada-wide system was "very much situated in the context of economic recovery," said Morna Ballantyne, executive director of Child Care Now, an advocacy association in Canada.

Canada's national system is nowhere near finished and is hardly perfect; there are staffing shortages in many parts of the country and still far too few seats available for children. But the new national initiative, known as "Canada-wide," will bring Canada closer to joining the ranks of countries like Finland, Sweden and Iceland, long lauded for providing robust federal support for child care.

As American child care experts call for more federal investment to salvage a struggling industry, Canada's experience may hold the most relevant lessons on how to make universal child care palatable to politicians and how to design a program to meet the needs of a diverse, geographically sprawling nation. With its new system, Canada has had to strike a balance between upholding the federal vision and allowing local autonomy over details, and between addressing the financial burden for parents while determining how to directly fund child care programs to ensure their stability.

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Any way you look at it, America's child care system is in crisis. After years of underinvestment, and an end to pandemic-era aid, the industry is struggling. Child care teachers have fled for higher paying jobs; parents face years-long wait lists; and families face insurmountable costs even for mediocre care.

The last major effort to significantly expand federal funding of child care in the U.S. — a proposal in President Joseph Biden's Build Back Better legislation in 2021 — was dropped from the final version of the act. Legislation introduced earlier this year that would have provided \$10-a-day child care to many American families failed to progress. Although greater investment in child care has some bipartisan support in the U.S., many lawmakers have balked at the cost. Some continue to say the government should have no place in child care, arguing that it is a private responsibility. Others suggest that universal access to child care is a communist policy, or that mothers should always stay home with their children. That's in spite of the fact that America relies on working parents to keep schools and many services open.

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Eventually, Canadian officials hope to achieve a 50/50 cost share with provinces and territories, but no money was required at the onset of the initiative. (America, in contrast, requires states to match funds for its current federal program aimed at lowering costs for low-

income families.)

Each province or territory has control over many of the details of the Canada-wide program, like setting annual goals for expanding child care spots and early educator pay scales, as well as deciding whether for-profit centers are included in their system. Money flows to the provincial governments, which then have their own systems for providing funding directly to the child care programs. By 2026, the country intends for Canada-wide to be universal in fact as well as name – with 250,000 new spots and parents paying no more than an average of \$10 a day for care.

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Despite Canada's progress and growing support for the national, low-cost child care plan, the country's pain points in Canada-wide's rollout show there's no quick way to make child care a public, federally-funded service, especially for countries that are late to the game.

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Provinces and territories are financially supporting the budgets of child care programs at levels the programs say are too low. In many cases, the governments subsidize families' costs, but fail to approve enough new money for child care programs that would allow them to raise teacher salaries. For example, earlier this year, British Columbia rejected a request from Huckleberry for a funding increase that would have raised teacher wages and provided employment benefits for the center's small staff of two full-time and two part-time teachers.

The Esprit Daycare Centre near Huckleberry also asked program officials in British Columbia for additional funds so it could raise wages. The request was denied.

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In some provinces, families' costs were cut dramatically long before many programs had the stability and staffing to handle the subsequent enrollment surge. And while some provinces have upped educator wages in an attempt to attract and keep teachers, others have been slower to make progress.

"I feel like the government is doing things in the wrong order," said Trulsen, in Mission. "We're creating spaces and we can't find staff. We can't find staff because we can't offer decent living wages. So round and round you go."

Canadian experts say their country's experience has shown what to do, as well as what not to do, to create transformational change in the child care industry. Some American policy makers have proposed addressing the child care crisis here by sending more money to parents or upping tax benefits, rather than providing direct funding to child care programs. Canadian experts who have seen their system's roll out are wary of such methods.

"It's absolutely clear that if you want to have a childcare system, you can't do it only by giving money to the parents, you have to make sure that you have the supply," said Martha Friendly, executive director of the Canadian-based nonprofit Childcare Resource and Research Unit, who previously worked on child care policy in the United States.

"If you look at other countries, that's the way they do it, they fund the operations." Of most importance, said Friendly, is that countries address affordability, workforce and supply at the same time.

"If you want to have a child care system that's stable ... You need to do all these things at the same time, because they're interlinked," she said.

In the U.S., some states are likely to balk at the idea of following in the steps of Canada and Scandinavia and setting up a federal "system" of care. Allowing autonomy at a state level is an aspect of Canada's model America might adopt, said Gordon Cleveland, associate professor emeritus at the University of Toronto Scarborough. "But there also has to be a very strong overall concept," he said, such as setting goals for parent rates, program expansion or educator wages.

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