

Universal early child care and education already generating multiple economic benefits ^[1]

The national early learning child care (ELCC) program is providing economic benefits and opportunities not just for mothers, but their children as well.

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Excerpts

Economists have long recognized the many economic benefits arising from accessible, quality child care. Past research has proven that child care supports economic performance in several ways.

First, there is a direct boost to economic activity and employment from the operation of child care services. This includes direct jobs in child care centres, but also the many spin-off jobs created by these investments: including 'upstream' in the supply chain that feeds into child care operations (everything from construction to utilities to equipment and toys to business services), and 'downstream' (through consumer industries stimulated by new spending power of child care workers).

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Now we have a chance to test those theories in real-time, as Canada's new national early learning and child care (ELCC) program comes into effect. Happily, hard statistical evidence shows that child care does indeed boost the economy, in all those ways.

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While it is still early in the new program's history, it is clear that major economic benefits are already being harvested. Here are some of the key outcomes visible in the economic data:

Job-creation: Employment in ELCC services has grown by over 40,000 positions since 2019. Child care has been the sixth largest source of new work in Canada since 2019 – producing far more new work than other sectors (like resources or manufacturing) that are typically assumed to be the main 'drivers' of the economy.

Earnings: Increased funding under the national program, combined with federal-provincial agreements on wage grids, training, and workforce retention, are supporting increased wages for ELCC workers. Average weekly earnings have increased 28 per cent in the last five years.

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