

# Investing in our kids will jumpstart Toronto [CA-ON] <sup>[1]</sup>

**Author:** Godfrey, John

**Source:** The Toronto Star

**Format:** Article

**Publication Date:** 31 May 2002

## AVAILABILITY

Text below

### EXCERPTS:

So how do we jump-start Toronto? Over the past month, bankers, politicians, policy wonks and this newspaper have all been peering under the hood, each trying to figure out where to attach the jumper cables. In late June, Mayor Mel Lastman will be summoning a grand gathering of urban tinkers and mechanics.

But before we can get rolling again, two big and related questions need to be answered What causes what? And where do we begin?

First, what causes what? Specifically, do cities first have to focus on reaching a higher standard of living (which is simply a higher average income for citizens), in order to pay for a higher quality of life, or is a higher standard of living a direct product of a higher quality of life?

The tempting answer is to say "both, at the same time." But the latest research from the Brookings Centre on Urban and Metropolitan Policy in Washington points firmly in one direction Get the quality of life right first and a rise in standard of living will surely follow.

Researchers at Brookings have been examining various urban renewal investment strategies that have been tried in cities across America in the 1990s.

When it comes to economic development programs, they arrive at some startling conclusions that challenge our traditional thinking about cities.

**Investing in infrastructure** A consensus is emerging that new roads and other physical infrastructure do not generate much economic growth. Indeed, American cities as diverse as New York, Boston, Fort Worth, Oakland, Pittsburgh, Providence, and San Francisco are actually relocating and even dismantling freeways and highways. Toronto's recently released new Official Plan recognizes the futility of building new roads or expressways.

**Lowering taxes** This is a favourite with bankers and the Canadian Chamber of Commerce, who are obsessed with keeping tax rates low.

But as Dr. Ingrid Gould Ellen and Dr. Amy Ellen Schwartz of Brookings point out, "It is far from certain that tax cuts spur economic growth. For one thing, lower taxes often mean lower levels of public services. For another, taxes are a relatively small part of the typical firm's cost of doing business, much smaller, say, than wages and other expenses."

Indeed, when you look at the "Tier One Alpha Cities" included in the recent Toronto Dominion Bank report on Canadian cities, London, New York, Paris, and Tokyo share the common characteristics of all being wildly more expensive places to live and do business than Toronto.

The 2002 KPMG study, *Competitive Alternatives Comparing Business Costs in North America, Europe and Japan* confirms that costs in Canadian cities are 10 per cent to 20 per cent lower than their regional U.S. counterparts. So lower taxes are neither the issue nor the answer.

**Picking winners, or the high-tech strategy** The Brookings researchers look at successes like Silicon Valley and conclude there isn't much cities can do to develop high-tech start-ups and industrial clusters.

But the researchers do point to one critical element in the decision of tech firms to locate in a community A skilled work force.

Which leads us back to where we must begin working to improve our quality of life.

When we understand the term not simply to mean pleasant urban amenities such as parks, good restaurants, and museums, but critical social infrastructure such as good housing, child care, schools and universities, which, in turn, create a population of healthy, well-educated, and productive citizens, we are onto something.

It is the quality of life of the people who live in Toronto that will, in turn, trigger increased economic growth and a higher standard of living.

A better quality of life is a precondition for a higher standard of living in developed, mature cities.

In the 21st century, the single most important investment we can make to improve quality of life is to invest in people.

And research shows that high quality early childhood development services are the decisive factor for human capital.

The recent report of the Honourable Margaret McCain and Charles Coffey, executive vice president of the RBC Financial Group, on Early Learning and Child Care for the City of Toronto makes a compelling case that our city's youngest citizens ought to have the first call on society's resources.

If the federal government is really going to help, it needs to invest now in a national child-care strategy, which will achieve multiple benefits in enhancing the quality of life for both present and future generations.

Not only does quality child care make life easier for working parents, it allows people who wish to upgrade their skills or get a job the chance of escaping the trap of unemployment and poverty.

But the real payoff for quality of life and hence increased living standards lies in the future.

As Coffey and McCain note, "Looking ahead, Canada would be enriched by generations of healthy, constructive citizens with a capacity for innovation, creativity, communication and contribution. These are the assets that will allow Canada to better participate in the new economy and to benefit from the resulting prosperity."

How do we jump-start Toronto? Start with young kids and their families.

John Godfrey is the Liberal MP for Don Valley West, co-author of *The Canada We Want*, and a former editor of *The Financial Post*.

**Region:** Ontario <sup>[2]</sup>

**Tags:** subsidy <sup>[3]</sup>

poverty <sup>[4]</sup>

funding <sup>[5]</sup>

---

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/02/08/investing-our-kids-will-jumpstart-toronto-ca>  
**Links**

[1] <https://childcarecanada.org/documents/child-care-news/02/08/investing-our-kids-will-jumpstart-toronto-ca> [2]

<https://childcarecanada.org/taxonomy/term/7856> [3] <https://childcarecanada.org/category/tags/subsidy> [4]

<https://childcarecanada.org/category/tags/poverty> [5] <https://childcarecanada.org/category/tags/funding>