

Literature review of socioeconomic effects and net benefits ^[1]

Understanding and addressing workforce shortages in early childhood education and care (ECEC) project

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AVAILABILITY

Report in PDF See pg. 23 for information on Robert Fairholm's study ^[2]

Description of the literature review:

This report examines the literature on ECEC and its' impact on children, their parents and society in order to determine the socio-economic implications of workforce shortages in ECEC. One of the studies outlined, Robert Fairholm's research presents the short- and long-term economic benefits of investing in ECEC.

KEY FINDINGS FROM ROBERT FAIRHOLM'S STUDY:

-Investing in ECEC is found to be the highest employment multiplier (job creator). A \$1 million investment in childcare would create 40 jobs, 43.5% more than the next highest ranking industries on the list (other non-public services and education).

-Investing in ECEC has a strong economic stimulus. Child care has one of the largest GDP (economy output), \$2.30, of all major sectors examined.

-For every dollar invested in Canada, there was a \$2.54 return in benefits to society. Furthermore, for every dollar invested, approximately 90 cents would be returned in increased revenue for the provincial and federal governments.

-There is a strong relationship between positive outcomes and quality; however, parents have difficulty assessing quality. Thus, suggesting the need for well regulated public child care.

-Immediate workforce shortages (over 5,000/year) are related to low pay and poor working conditions.

-The social benefits and revenue from child care workers are better than the current costs of training and subsidies.

-The workforce shortages resulted in a net economic cost of \$140 million in six years (2001-2007) and approximately 50,000 person years of employment for child care workers and parents.

Related link: CCAAC PRESS RELEASE: Fixing Canada's economy could be child's play - if Conservative government listens ^[3]

Region: Canada ^[4]

Tags: economics ^[5]

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Links

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