

# Literature review of socioeconomic effects and net benefits <sup>[1]</sup>

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 <sup>[2]</sup>

## 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 <sup>[3]</sup>

**Region:** Canada <sup>[4]</sup>

**Tags:** economics <sup>[5]</sup>

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