

An education ^[1]

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EXCERPTS

The McGuinty government's \$1.5 billion legislation to enact full-day early learning has received a huge thumb's up - not only from early childhood education experts, but also from economists and the NDP.

In last week's debate, NDP MPP Cheri DiNovo, normally tasked with criticizing the government, declared an historic moment: "I'm going to say for once, the McGuinty government has done something very good." The mother of two told MPPs: "I can't remember a time, personally when, as a feminist, I haven't been struggling for more child care ... because, quite frankly, women's rights hinge on having an adequate childcare program in this province."

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But her call to action seems unlikely to phase her Progressive Conservative sisters after Leader Tim Hudak's strong objection to the legislation: "It is not affordable, given our \$25 billion deficit," he said.

Martha Friendly, executive director of the Childcare Resource and Research Unit, disagreed with that analysis and pointed to a 2009 study by economic analyst Robert Fairholm of The Centre for Spatial Economics. The study, commissioned by the Child Care Human Resources Sector Council, examined the short- and long-term economic benefits of investing in early childhood education. It found that:

- Investing in ECEC is the highest employment multiplier (job creator). A \$1 million investment in childcare would create 40 jobs, 43.5 per cent more than the next highest-ranking industries on the list (other non-public services and education).
- Investing in ECEC has a strong economic stimulus. Childcare has one of the largest GDP (economy output), \$2.30, of all major sectors examined.
- For every dollar invested in Canada (in childcare), 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.
- The social benefits and revenue from childcare workers are better than the current costs of training (childcare workers) and (the \$63 million) in subsidies (to Ontario. These were put in place by the previous federal Liberal government to support the creation of 635,000 child care spaces across the country but axed by the Harper government.)

- The (childcare) 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 childcare workers and parents.

In other words, creating early childhood education opportunities has a more positive effect on the economy than subsidizing construction or manufacturing sector jobs through the federal stimulus program.

For one thing, money that goes into childcare stays in Ontario, Fairhold told the Briefing. Money that goes into construction might partially be used to buy materials from overseas or elsewhere, he explained. So childcare investment creates more bang for each taxpayer dollar. For another, childcare workers are poorly paid, so you create more jobs with each taxpayer dollar than in construction or manufacturing. Finally, because people who make less tend to spend all the money they make, rather than save - they have to - it has a more positive effect on other sectors of the economy than subsidizing higher wage jobs, since almost all of the money that goes into subsidization is returned back into the economy.

Fairholm acknowledged the Ontario government has some tough choices to make because of its almost \$25 billion deficit but "if you think infrastructure spending is good, then things that improve the human capital infrastructure (like childcare) are also important." And in a knowledge economy, investing in brains matters more than investing in brawn, he added. "Things that boost human capital have both significant short terms and long term benefits to the economy." And that's what childcare does.

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