

Editorial: Affordable child care can bring economic and social benefits ^[1]

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EXCERPTS

Few today dispute that universal public education funded from tax revenues became one of the most powerful engines for development devised by capitalist economies. It not only creates the better informed citizens empowered by critical thinking required for healthy democracies to function, it provides the literate, adaptable, self-directed workers essential to the competitiveness and entrepreneurial regeneration of business itself.

Yet, there was a time when the expenditure of public revenue to subsidize education for labouring classes was opposed as wasting tax dollars on what Thomas Jefferson called "the rubbish," although even he acknowledged that they might occasionally cough up a genius.

Today, even those who advocate greater privatization of medical services acknowledge that broad access to public health care benefits business and society.

Yet there was a time when critics of Medicare saw it as a communistic attack upon medicine. Saskatchewan premier Tommy Douglas, the politician who introduced it in 1960 despite bitter opposition, is now revered nationally. Most doctors approve of public health care.

In both cases, substantial public investment in human capital yields far greater social and economic returns, both private and public, both in the tangibles of profits and tax revenues and the intangibles of employee and family well-being, than we might otherwise achieve.

All this has occurred during a time when our economic models have changed dramatically. We have transitioned from a society of single breadwinners to one in which two-income families are an expectation - even a necessity - rather than a lifestyle option. In Canada, a dual-income two-parent family averages \$94,100 a year after taxes; a similar single-income family averages \$71,100. For single-income lone-parent families the discrepancy is sharper: a male lone-parent single-earner averages \$55,100; a female-lone parent single-earner averages \$41,400.

This is the background against which to consider the Surrey Board of Trade's business argument for a comprehensive strategy for providing affordable daycare for families across British Columbia - but particularly in hyper-expensive regions like Metro Vancouver where Vancouver Sun reporter Tara Carman found examples of families paying up to \$1,400 a month for child care. That's about what you'd pay in tuition at medical school. For a female single-income lone parent it represents 40 per cent of average income. The \$10-a-day model proposed by the Board of Trade would reduce that burden to less than six per cent.

Leaving aside the Board of Trade's case, based on research by the University of B.C.'s Paul Kershaw, that stress from work-life conflict over child care access costs health and child welfare systems in Canada \$3.7 billion a year, there's a compelling business case for freeing up the largely female segment of the labour force that's now excluded by child care demands.

In fact, we have evidence from Quebec, which initiated low-cost universal-access early childhood care as early as 1997 with fees of \$5 a day; they rose to \$7 a day in 2004. A study by taxation and economics experts at three universities says this brought nearly 70,000 additional mothers into the province's workforce, increased overall female employment by 3.8 per cent and boosted Quebec's gross domestic product by \$5 billion a year. Taxes returned to the federal and provincial governments from Quebec's subsidized low-cost child care investment significantly exceed its cost, the researchers found.

Digital analysis by The Vancouver Sun's Chad Skelton finds 436,995 stay-at-home parents in B.C., 88 per cent of whom are women. At a time when business and the provincial government cite looming labour shortages and temporary foreign workers meet some needs, does it make economic sense to exclude a pool of potential workers already here simply because local child care is unaffordable?

The province, predictably, says the \$1.5 billion cost of such a program is beyond its means and points to its own plan to provide monthly assistance of \$55 per child under six to families with net incomes of \$100,000 a year or less. But this amounts to \$2.75 a day per child to address costs that in Metro can exceed \$60 per day and does little to address the dearth of spaces.

As with public education and health care, society should seriously consider early childhood care as the same kind of potential generator for economic activity and development that benefits Quebec. However, the solution must be multiparty, not simply a short-sighted socialization of costs while privatizing profits.

If the public is to invest tax dollars in developing low-cost child care programs, it's not far-fetched to expect corporate B.C. to step up to the plate with improved options for employees. Nor does the equation need to exclude small businesses - there's no reason enterprises operating in a common commercial area couldn't create co-operative options for lower-income employees. And government can always provide tax credits to offset costs.

With goodwill, imagination and investment, affordable child care could generate disproportionate economic returns, as the Surrey Board of Trade so eloquently argues. It's a timely idea and one worth exploring by the provincial government, which has the reach, resources and expertise to co-ordinate strategic thinking and to facilitate broader discussion among parents, public institutions and private business.

- Read online at the Vancouver Sun [2]

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