

Getting less bang for the child care buck – all \$6.8 billion of them

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Author: Friendly, Martha

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Excerpts:

From many years of Canadian and international early childhood education and care (ECEC) research, we've learned that how much public funding is spent and how it is spent are both important. Canada is one of the OECD's lowest spenders on regulated child care and early childhood education but spends substantial public funds on two child care-linked funds-the Child Care Expense Deduction (CCED) and the Universal Child Care Benefit (UCCB). Currently, the Government of Canada is contemplating spending considerable additional dollars on a third fund - income splitting.

There are two main ways to spend public child care funds: "supply-side" funding supports services directly ("base funding") and "demand-side" - indirect funding flowed to parents through vouchers, cheques or the tax system. Many researchers conclude that demand-side spending is weak for improving child care affordability, availability, and is, overall, a poorer way to spend ECEC funds than supply-side funding (see, for example, Turgeon, 2010; OCED, 2006: 14).

All three funds benefit wealthier families most, and none of the three contributes to building a high quality, available, affordable ECEC system to provide real options for families and children. Practically, none of the three helps parents find a high quality child care or nursery school space and all three do little to help parents pay fees that-in most of Canada-cost more than university tuition or rent.

Outside Quebec, Canada has thus far focused primarily on demand-side funding, and we find ourselves with weak access, affordability and quality relative to most other advanced countries. In other words, Canada is living proof of the failure of these approaches.

Summary:

- Canada is the lowest spender on regulated ECEC among OECD countries;
- There is strong evidence that demand-side spending (vouchers, cheques, tax breaks) is ineffective for providing ECEC options for families;
- The Government of Canada spends \$3.8 billion/yr-and could soon be spending \$6.8 billion/yr-on child care-linked demand-side funds, with provinces spending billions more;
- Research (Fortin et al, 2012) shows that accessible, affordable child care is an economic asset;
- Yet Canadian families cannot find, and many cannot afford, the high quality early childhood education and care they want and need;
- There is no evidence that the three demand-side funds are effective ways to spent substantial ECEC-linked dollars;
- Given this hefty spending, the idea that Canada "can't afford" to support families with a universal national child care program does not make social or fiscal sense.

Region: Canada [3]

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