

Affordable child care: The \$7-a-day question ^[1]

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EXCERPTS

Montreal professor Kate Hall speaks softly so as not to wake her kids from a nap.

The mother of three kids under the age of six and a school-aged stepson is on maternity leave with her youngest child, a seven-month-old daughter. She is pondering her return to work at Dawson College later this year.

Thirty years ago, Hall likely would not have been able to consider going back to work. The cost of putting three children in daycare would have been out of reach.

"There's no way I'd be able to have this many children and work full time," said Hall.

But with Quebec's much-envied, \$7-a-day universal daycare system, Hall's choices were easier.

"The daycare my children go to is an amazing place," she said of the Centre de la petite enfance St. Mary -- CPE for short -- where her boys attend every day. She said the teachers have been there for more than 25 years, and their experience is invaluable, plus she said the CPE treats their entire family like it's part of the community.

"I feel like our family has benefited enormously," she said.

The universal system Hall and other Quebec parents love arrived in the late 1990s, the result of a policy of the Lucien Bouchard Parti Québécois government announced at an economic summit in 1996.

Before that, daycare in Quebec looked much like it does in other provinces today. There was a mix of home-based and centre-based care, divided between for-profit and not-for-profit businesses. Daycare operators could set their own fees, and there were some subsidies available for lower-income families. A tax credit was available for parents to claim some of the costs spent on daycare.

Bouchard's new family policy included improved parental leave, full-day kindergarten and a universal child-care system for kids up to age 12, where all families paid the same daily rate no matter their income.

Initially, the fee was \$5 a day. It went to \$7 a day in 2004.

The result is a system with more publicly funded, affordable daycare spaces than anywhere else in Canada. It is still a mix of public and private care, and about half the children in Quebec in child care are not in the public system because there are not enough spaces in it. Daycares that qualify to charge the \$7-a-day fee are either CPEs, such as the one Hall's children attend, subsidized family-run child-care centres that are overseen by community boards, or some subsidized, privately run daycares known as garderies.

About 40 per cent of the publicly funded spaces are in CPEs, and 40 per cent are in private homes, while the remaining 20 per cent are in garderies.

Much as licensed centres outside of Quebec, providers of publicly funded spaces are to follow provincial regulations on teacher training, child-to-staff ratios and curriculum. Staff salaries are predetermined and are higher than anywhere else in the country.

Gina Gasparrini, chairwoman of the board of Quebec's association of public daycares and the executive director of Centre de la petite enfance St. Mary, said the decision at first was clearly all about the economy.

"They wanted something that would generate revenue and put people back to work," said Gasparrini, who began working in the child-care sector a few years before the changeover.

The results could not have been more to the government's liking.

"All of the goals they had, they've all been met," she said.

In 2012, three Quebec economics professors from the Université de Sherbrooke and Université du Québec Montréal, joined forces to look at the economic impact of the universal child-care program. It found between 1996 and 2008, the employment rate of women between 15 and 64 years old jumped to 75 per cent from 63 per cent. All told, there were 70,000 more women working in Quebec in 2008 because of

the availability of low-cost daycare.

It meant the overall employment rate in Quebec shot up by almost two points, resulting in similar increases to the provincial GDP and provincial and federal tax revenues.

The economic impact means the program more than pays for itself, concluded the report.

The study says for every \$1 Quebec spends on its child-care subsidies, it generates back \$1.05 in tax income for itself and another 44 cents in tax income for the federal government.

Quebec will spend \$2.4 billion on its child-care program this year, about \$2,230 per child under 12.

Altogether, the provinces and territories spend about \$3.6 billion on child care each year, and Quebec is responsible for two-thirds of it.

Ontario spends about \$457 per child under 12. Manitoba, one of two provinces outside Quebec where child-care fees in licensed daycares are capped and the spaces subsidized, spends about \$716 per child under 12.

In Manitoba, publicly funded daycare spots are capped at \$30 a day for infants and \$20.80 a day for preschoolers, regardless of income.

In Toronto, which has the highest fees in Canada, a parent will pay as much as \$106 a day for a licensed infant space and \$72 a day for a preschooler.

If Manitoba were to spend the same amount per child as Quebec, its annual child-care budget would have to go up 173 per cent, or more than \$265 million.

One of the biggest impacts of Quebec's new system was for single mothers. In 1996, fewer than half of single parents -- with at least one child under six at home -- worked in Quebec. By 2008, more than two-thirds of them did. The increase in the employment rate of single parents outstripped that of parents in dual-parent families by more than two to one. At the same time, the median after-tax income of single mothers in Quebec rose by 81 per cent, and the number of single-parent families on welfare plummeted by 99,000 in 1996 to 45,000 in 2008.

Susan Prentice, a sociology professor at the University of Manitoba and a national expert on child-care policy, said it is clear to anyone who looks at the Quebec system that it has had a positive impact on everything from work/life balance for families and child development, to women's equality, economic growth, poverty elimination and wage increases.

However, Quebec's system is not perfect and has not been without its growing pains.

Some critics, such as Queen's University economics Prof. Steven Lehrer, say data from Statistics Canada suggest Quebec kids are not faring as well on developmental indexes such as language and social skills, since the advent of universal daycare. He fears it's because more kids are in child care (about 60 per cent of Quebec kids under 14 were in childcare in 2011, compared to 48 per cent nationally), and that parents think by putting their kids in child care they don't have to work with them at home on reading and vocabulary.

"Once you send your child to daycare you do less at home," he said.

Gasparrini disagrees, citing statistics that show over the long term, kids in quality child-care programs are 3.5 times less likely to struggle in school and are more likely to grow up to graduate from high school and have higher earnings.

Lehrer said he isn't disputing good child care can make a difference, just that the Quebec system is not as high-quality across the board as it should be.

"I think high-quality care matters," he said. "Affordable high-quality care is a phenomenal policy. Affordable child care alone is not."

Gasparrini acknowledges while the system has high standards, the province isn't very good at ensuring centres meet them. She said there is a new program in development to try to fix that.

She also said the system is underfunded -- about half the CPEs in Quebec are in deficit, she says -- and without any ability to raise funds on their own, CPEs have nowhere to find more money.

The system is also not entirely universal. While anyone who gets into a public space pays \$7 a day, demand far outstrips supply.

"We were a victim of our own success," said Gasparrini. "The government could not have imagined how popular it would be. We had huge waiting lists."

Even now, when there are more than 230,000 public spaces available, nearly three times as many as in 1998, access remains an issue.

Hall and her husband had to wait until her younger son was two before they got him into a CPE, relying for more than a year on private drop-in care at \$35 a day and a private home daycare at \$12 a day.

"I couldn't get them in anywhere," she said.

Space for kids under age two is particularly scarce.

René Guerra, a father of a 22-month-old in Gatineau, Que., is paying \$60 a day for a private Montessori program. He and his wife are counting down the days until a space becomes available in a new CPE opening at his wife's workplace.

"We signed up for all the waiting lists that are available," said Guerra, who works for a non-profit organization across the river from

Quebec in Ottawa.

The difference to his budget will allow them to consider buying a car.

The system also is much easier to navigate for parents who are better-educated and wealthier -- the use of the system is higher among wealthier families, Gasparrini said.

Prentice is not very hopeful the success in Quebec will be pursued by other provinces. She said the current political climate, driven by lower-tax, lower-spending policies, makes investing in major government programs difficult.

"We are no longer in a state-building period," she said. "So it's a bad time to try to get onto the agenda." The federal NDP has promised a national universal child-care program based on the Quebec model, promising to spend nearly \$2 billion by 2018-19 to create 370,000 spaces at a maximum cost of \$15 a day.

On the opposite side of the picture, the Conservatives are offering cash directly to parents to offer what they say is "choice in child care." The money, which was \$100 a month for all kids under six between 2006 and this year, is going up to \$160 a month for kids under six and \$60 a month for kids between six and 17 years old.

Thus far, the federal Liberals have unveiled no child-care policy.

The program in Quebec is also about to undergo major changes. The new Liberal government, pleading poverty, is about to pass legislation that would implement an income-based scale for daycare fees. Families with incomes under \$50,000 will pay \$7.30 a day, and the rate increases with income to a maximum of \$20 a day for families with household incomes more than \$155,000.

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