

Child care for \$10 a day feasible in Canada ^[1]

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EXCERPTS

Introducing universal \$10-a-day child care would grow the province's economy by \$3.9 billion and generate \$1.3 billion in government revenue once fully phased in, according to a report released today by the Canadian Centre for Policy Alternatives.

Implementing the plan - which advocates say would create enough child care spaces for all families who need it, as well as improve affordability and the quality of early childhood education in B.C. - would cost \$1.5 billion over 10 years, researchers at the University of B.C.'s Human Early Learning Partnership have estimated.

However, Victoria and Ottawa could expect to recover 86 cents on every dollar invested if both levels of government participated, said Iglia Ivanova, a senior economist at CCPA who authored the report, *Solving BC's Affordability Crisis in Child Care*. This means the net investment would be \$202 million.

Funding would come from an estimated 39,200 more people - mostly women - in the workforce paying income tax, said Ivanova. This translates into a 1.72-per-cent increase in overall employment.

"I think it's important to show that we can actually afford it," Ivanova said. "A big element that the provincial government is missing is that the program will be partially self-financing as more women will be able to go to work."

In Metro Vancouver, families pay anywhere from \$45 a day in Surrey and the Tri Cities to \$75 a day in Vancouver for care for each child under age three. For some families, this exceeds the cost of housing. Waiting times for a space in Vancouver can be two to three years, while in Surrey spaces go empty because families can't afford the fees.

The proposed plan would cost parents \$10 a day for each child, with the remaining costs covered by government.

Ivanova used data from Quebec, where the provincial government introduced subsidized daycare in 1997, to calculate the effect of a similar program in B.C. In Quebec, the number of single-parent families on welfare dropped by half between 1996 and 2008 and the federal and provincial governments saved \$280 million on social assistance and other cash transfers to lower-income families, according to research by economist Pierre Fortin and colleagues at the University of Sherbrooke.

However, the Quebec experience has not been seamless. Even though Fortin calculated the province makes more than it spends on the program, other research has suggested negative effects on child development and educational outcomes have fallen short of expectations. The program has also not created enough spaces for all the families who want them and those that do get a space tend to be from better-off families. Starting next year, Quebec will abandon its current \$7-a-day rate and move to a sliding scale based on household income that will see costs for some families go up to \$20 a day.

Asked whether it makes sense for B.C. to go the same route as Quebec given these deficiencies, Ivanova emphasized that B.C.'s proposed program is only partly based on Quebec's and takes such issues into account.

- reprinted from the Vancouver Sun

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