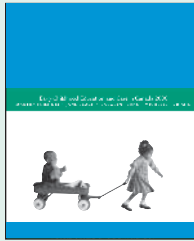


TRENDS & ANALYSIS 2007

Early Childhood Education and Care in Canada 2006



Early Childhood Education and Care in Canada 2006.

Martha Friendly, Jane Beach, Carolyn Ferns, Michelle Turiano.
June 2007. 264pp.

Using data from *Early Childhood Education and Care in Canada 2006*, *Trends and analysis* examines directions in ECEC during 2004-2006. The current data, together with comparable cross-Canada data collected by the Childcare Resource and Research Unit since 1992 forms a body of longitudinal information from which it is possible to identify trends. Additional details can be found in 1992-2006 editions of *ECEC in Canada* and other identified sources of information through online links at www.childcarecanada.org.

2007 - WHAT ARE THE TRENDS?

Child populations in Canada are shrinking

The number of children aged 0-5 has been decreasing year after year in all regions of Canada. Although there was a very slight increase in the fertility rate in 2005 for the first time since 1998, (from 1.53 children per woman to 1.54)¹, child population data (1992-2005) show a trend towards smaller and smaller child populations. This trend is not unique to Canada but is characteristic of most industrialized countries. However, the link between child population and accessible child care has not had serious consideration in Canada although a 2007 economic study² identifies child care as a way of boosting birth rates by facilitating women's labour force participation as well as providing other social benefits.

A solid majority of Canadian children have a mother working outside the home

As a percent of all children, a solid majority, about 60%, of children have mothers working outside the home. Given the strong evidence from research³ about the effects of quality in early learning and child care on young children, this should raise concerns about the significant proportion of Canadian children who are likely to be in a child care arrangement outside the family that is not regulated or high quality.

Access to regulated child care has improved little in the past two years with limited impact on the sizeable gap between need and provision.

There was some growth in child care supply (+65,000 spaces) and coverage (+1.7% of children 0-12) between 2004-2006. However, the growth was meager, back down to the relatively stagnant situation in the 1990s. This was true in all regions of Canada including QC where growth was at its lowest level in years. Canada-wide coverage – the proportion of children for whom there was a space – improved only from 7.5% to 17.2% in the 14 years between 1992 and 2006. This translates into very lacklustre improvement. Indeed, if child care supply continues to grow as slowly as it has in the past two years, it will take another 60 years – several more generations – to reach a universal supply of child care for 0-12 year olds. Access to ECEC programs depends not only on supply but on affordability but the improvements in amount and type of public funding needed to reduce Canada's reliance on parent fees have not been made.

Quality has been a perpetual concern in Canadian child care. Current data show no reason to be optimistic that there have been quality improvements in the last two years.

Studies of quality in Canadian child care show that quality is generally mediocre to poor, and few programs achieve high⁴ quality. In 2007, data on established indicators of quality such as staff training, wages, funding and auspice show that there is little reason to believe that quality has improved. Training requirements have not improved and wages are still low. Financing has a significant impact on ECEC quality through staff wages, retention, working conditions and morale and on facilities and equipment. Public funding per space is very low in Canada compared to ECEC spending in other countries and has increased little over time, even dropping in several provinces/territories between 2004 and 2006. For-profit child care⁵ is no longer decreasing in Canada as a whole, and indeed, is increasing in some regions. As the research identifies the quality of ECEC programs to be a determining factor in child development, the failure to improve it in Canada is most worrying.

Following federal and provincial/territorial improvements in maternity/parental leaves and benefits beginning in 2001, more parents have been taking longer parental leaves.

In 2001, the federal government improved the duration of maternity and parental leave benefits to one year. Data from subsequent years show that take-up and length of leaves have both increased, a positive development. However, the still substantial proportion of new mothers who do not take maternity leave is of concern (30-50%, with considerable variation by province/territory). One can only speculate about the reasons for this but the low dollar value of the maternity benefit⁶ (maximum 55% of salary, up to a ceiling of \$423 a week) as well as non-inclusive eligibility criteria may be factors. As part of the original Quebec Family Policy introduced in 1997, QC has now developed its own parental insurance program with higher income replacement and more flexibility. Data on the impacts are not yet available as the program began only in 2006.

THE POLICY CONTEXT

Between 2004 and 2006, there were several significant shifts in ECEC policy. In 2004, the federal government, recognizing the need for leadership in early childhood education and care, proposed the Foundations program to "ensure that children have access to high-quality, government-regulated spaces at affordable cost to parents". Five billion dollars (in new funds) over five years were committed for this purpose. In 2005, bilateral agreements between the federal government and provinces/territories were executed to put this in place by transferring funds to each province/territory upon completion of an early learning and child care plan and ongoing reporting.

Following another federal election (January 2006), the subsequent government introduced a different approach. They said: "The best role for government is to let parents choose what's best for their children, and provide parents with the resources to balance work and family life as they see fit - whether that means formal child care, informal care through neighbours or relatives, or a parent staying at home". In 2006, the nascent ECEC pro-

"In countries where it is relatively easy to work and have children, female employment and fertility tend to be higher"

Kevin Daly, 2007

gram was terminated through cancellation of the federal/provincial agreements⁷. Beginning in July 2006, the Universal Child Care Benefit, a \$100/month payment to parents of all children aged 0-6, began. In addition, the 2006 federal budget committed ECEC transfer payments to provinces/territories totaling \$250 million per year and a tax credit to businesses to create new child care spaces in the workplace.

Canadian provinces/territories have jurisdictional responsibility for developing and maintaining ECEC programs although federal funding and leadership has over the years played a significant role. As the data show, at the provincial/territorial program and delivery level that is meaningful for families and children, ECEC failed to

progress over 2004-2006. The demographic trends show that ECEC is at least as important than it ever has been but the evidence on accessibility and quality show that these continue to be major issues in Canada.

At the same time, countries beyond our own borders are also grappling with ECEC issues. During the 2000s, part of the policy context for ECEC in Canada has been keen international interest in early childhood. Today comparative policy research provides considerable knowledge about best practices in programs and policy. The Thematic Review by the Organization for Economic Co-operation and Development (OECD) – one of the key international studies on this topic – was completed in 2006. Its final report, *Starting Strong 2*, offers cross-national insights about best practices in policy and programs as well as valuable data that provide an international policy context for ECEC. These comparative data document Canada's low ranking internationally re: spending on families and children overall, spending for ECEC programs, access and affordability⁸.

DEMOGRAPHIC CONTEXT

Number of children

In Canada as a whole, there were 253,000 fewer 0-5 year olds in 2005 than there were in 1992. Every province had fewer 0-5 year olds in 2005 than in 1992, with some showing substantial decreases. For example, in NL, the population of children 0-5 years was almost halved from 1992 to 2005 (45,000 in 1992, to 29,000 in 2005). Nationally, the size of the 6-12 year old group reached its peak in 1998. Since then, it also has been shrinking steadily, losing 96,000 over nine years.

Mothers' labour force participation

In 2005, mothers' labour force participation rate continued to rise, up to 69% for mothers with a youngest child 0-3 years; to

76% for those with a youngest child 3-5 years; 83% for those with youngest child 6-15 years.

While mothers' labour force participation rates in Canada are higher than those in the US, the UK, Australia and France, they are lower than the rates in Norway, Sweden, Denmark (all of which have well

developed family policy) and the Netherlands. That there are linkages among workforce participation, birth rates and child care provision is generally well accepted. For example, several years ago, the European Union recommended improving child care accessibility across the Union as part of a labour force strategy to "push up potential for economic

TABLE 1

Labour force participation rate of mothers with children 0-15 years (rounded)

	1995 (%)	1998 (%)	2001 (%)	2003 (%)	2005 (%)
With youngest child 0-3 years	61	65	66	66	69
With youngest child 3-5 years	68	71	73	75	76
With youngest child 6-15 years	76	78	81	82	83

growth in the next decade...The European Council should set EU-wide targets for 2010: Childcare should be available to at least 90% of children between 3 years old and the mandatory school age and to at least 33% of children under 3 years of age⁹.

Children with mothers in the labour force

A solid majority of Canadian children have a mother working outside the home. The proportion of children whose mother was in the labour force as a proportion of all children grew from 57% in 1992 to 65% in 2006 for children aged 0-12. Over the fifteen year period, about 60% of children 0-5 and 6-12 had a mother in the labour force.

Given the strong evidence from research about the effects of quality in early learning and child care on young children, this should raise concerns about the growing proportion on children who are in child care arrangements outside the family that are not regulated or high quality (see Access and Quality sections, below).

At the same time, the number of children with mothers in the labour force has decreased. This is a function of the generally shrinking number of all children and the increasing labour force participation rate of mothers. In every province, the number of children 0-5 years with mothers in the labour force decreased somewhat between 1992 and 2005 although in some provinces, the 6-12 year old age group with mothers in the labour force was still increasing slightly.

One implication of this is that, as demographer David Foot has suggested, the decreasing numbers of children mean that, financially, this would be a good time to introduce a national early learning and child care program¹⁰.

Aboriginal children

The most recent data on the number of Aboriginal children in Canada come from the 2001 Census. According to these data, there were an estimated total of 270,000

(rounded) children aged 0-12 identifying with an Aboriginal group (note that the Census uses the categories "North American Indian, Metis, Inuit, Multiple, and Other" for Aboriginal designation).

The proportion of child population that is Aboriginal varies enormously by province/territory, with 90% of NU's children identifying as Aboriginal (mostly Inuit), 27% and 25% in SK and MB, respectively, and 2% in NL, QC and ON.¹¹

While data are not available to determine how many Aboriginal children participate in ECEC programs overall, Aboriginal groups make the point that their children are not only underserved by ECEC services in general but that resources are not sufficient to support the culturally sensitive and appropriate ECEC services that Aboriginal people want.

Children with disabilities

The Participation and Activity Limitation Survey (PALS) (2001), is a main source of data about Canadian children with disabilities. The PALS provides both the number and rate of children with identified disabilities in three age categories (0-4 years, 5-9 years and 10-14 years). According to PALS, the rate of child disability in each

province is 2-4% in each age group; nationally, it recorded 138,500 (rounded) children 0-12 as having a disability in 2001.

In the ECEC field, it is generally assumed that the PALS significantly under represents the number and rate of children with special needs.

Number of children living in poverty

Canada's child poverty rate is stubbornly high¹², with more than 1.2 million children (one in six or 17.7%) living in poverty in 2004. The rate has dropped from its highest point in 1997 but is considerably above the 15.1% it was in 1989 when the House of Commons unanimously passed a resolution to end child poverty by the year 2000.

Some children are especially likely to be poor: children in single-parent female-headed families, children with disabilities, children in immigrant (especially recent immigrant) and visible minority families and children with Aboriginal identity. According to the 2004 data used in *ECEC in Canada 2006*, children living in BC and NL were most likely to be living in poverty while AB has had the lowest rates of child poverty for some years.



FAMILY POLICY—MATERNITY AND PARENTAL LEAVE

Maternity/parental leave provisions are shared between federal and provincial/territorial governments with the federal government providing benefits under Employment Insurance (EI) and provinces/territories setting the length of leave under employment legislation. Originally introduced in 1971, family leave benefits and leave policies have been improved several times.

In 2001, the federal government increased the parental leave portion of the benefit to 35 weeks (50 weeks combined maternity/parental). The EI benefit pays 55% of wages up to a ceiling of \$423/wk in 2007, increased from \$413. All provinces/territories now provide leaves under employment legislation that match or exceed the maximum federal benefit. For a variety of reasons, many new parents – including those who are self-employed, precariously employed or students – are not eligible.

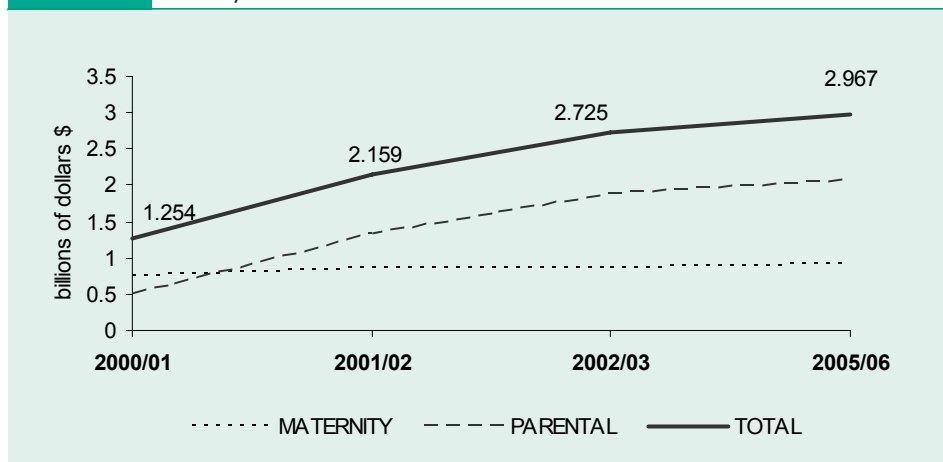
Since the 2001 policy change, there has been a clear trend toward higher take-up of maternity leave and an increase in the

number of parental leave claims as well as a substantial increase in their length¹³. Spending¹⁴ on maternity and parental benefits has grown considerably, more than doubling since 2001.

In 2006, Quebec replaced the Canada-wide federal benefits with the Quebec Parental Insurance Plan paid to all eligible workers

whether salaried or self-employed¹⁵. Parents may choose between two options for parental benefits and leave; the Basic Plan, for 32 weeks of benefits (first 7 weeks at 70% and the remaining 25 weeks at 55%), or the Special Plan (25 weeks of benefits at 75% of salary).

FIGURE 1 Federal expenditure on maternity and parental leave benefits 2000/01 - 2005/06



EARLY CHILDHOOD EDUCATION AND CARE PROGRAMS

Fourteen Canadian jurisdictions – the federal government, ten provinces and three territories – are involved in delivering ECEC programs. In all regions, child care and kindergarten are separate mandates so each jurisdiction has multiple child care, early childhood education and "child development" programs. Generally, Canadian ECEC programs are either not sensitive to parents' labour force schedules (kindergarten) or are inaccessible to many families because fees are too high or services unavailable (child care). In addition, research shows that the quality of much of Canada's regulated child care is less than high quality. In any case, many young children are in private unregulated care arrangements while their parents are at work.

At the present time, the federal government plays four roles in ECEC:

- Delivering ECEC services to specific populations (Aboriginal people, military families and new Canadians);
- Providing cash or tax benefits, for example, maternity/parental benefits under Employment Insurance, the Child Care Expense Deduction, the UCCB;
- Financing ECEC programs through transfer payments to provinces/territories. This began in 2003 and continues through a variety of transfer payments specifically designated for provincial/territorial ECEC programs;
- Providing federal leadership, for example, the Multilateral Framework Agreement (2003); Foundations (2004); the UCCB (2006).

All provinces/territories provide both public kindergarten and regulated child care

programs. In regulated child care, there is considerable provincial/territorial variation in supply and coverage, quality, financing, fees, teacher/staff training, wages, and monitoring. Kindergarten programs tend to be more consistent across Canada although there is variation in amount of provision (full or part-day), age eligibility, curricular approaches and educational expectations.



Kindergarten

- Canada has no national department of education.
- In almost all provinces/territories, Ministries of Education have responsibility for kindergarten.
- Kindergarten is publicly funded, usually with no parent fees.
- Kindergarten is an entitlement in most jurisdictions and is usually available to all children with no eligibility requirements other than age.
- Kindergarten is primarily for five year olds. In ON, kindergarten is also provided for almost all four year olds; some other provinces offer limited kindergarten for under-fives, usually for “at risk” children.
- There are an estimated 328,028 children in five year old kindergarten and an estimated 131,758 in kindergarten for under-fives, mostly in ON¹⁶.
- Provincial/territorial interest in kindergarten provision for under-fives appears to be growing.
- Kindergarten is part-time (usually 2.5 hours a day) in most jurisdictions but full school day in three provinces and in some school boards in some provinces.
- In most provinces/territories, kindergarten is not compulsory but most children attend.
- Educational requirements, wages and working conditions for kindergarten teachers are similar to those of other elemen-

tary teachers (a university degree is required). No jurisdiction except PE where kindergarten is part of the child care system requires specialized training in early childhood.

- Province/territory-wide kindergarten curricula are generally described as play-based or developmentally appropriate.
- Most provinces/territories do not set out class sizes or teacher: child ratios for kindergarten.

Regulated child care

- Provincial/territorial Social/Community Services Ministries are responsible for regulated child care. At the federal level, the main department that has a role in child care is Human Resource and Social Development Canada. Other federal departments including Finance, Health Canada, Indian and Northern Affairs have some involvement in ECEC as well.
- Child care is primarily a user-pay service financed through various combinations of parent fees, fee subsidies for low income families and some direct funding to programs.
- In all provinces/territories, capital funding for facilities and equipment is either quite limited or unavailable.
- Development and maintenance of regulated child care programs in Canada is not ordinarily a responsibility assumed by government. In most instances, community or voluntary groups or entrepreneurs determine when and where child care programs

are developed and maintain their operation. Government funding and regulation play an important role however.

- An entitlement to child care service is not a feature in any province/territory.
- All provinces/territories regulate child care centres; unregulated child care centres are not permitted.
- Each province/territory has a mechanism for regulating family child care (care in a provider's private home) either through licensed agencies that supervise providers according to a set of regulations or through provincial/territorial licensing and regulation of the individual provider.
- However, most family child care operates outside of regulation. All provinces/territories set a maximum number of children who can be cared for in a family child care setting before regulation is required.
- Six provinces/territories have a distinct regulatory category for nursery schools/preschools; in three these operate outside of regulation.
- Centre-based care for school-age children is regulated under child care legislation in most provinces/territories.
- Provincial/territorial training requirements for staff in child care centres range from none to a requirement that 2/3 of staff in a centre have a community college diploma in early childhood. No jurisdiction requires university-level training for child care centre staff.
- Most Canadian child care is privately operated, mostly (79%) on a not-for-profit basis, usually by community-based or parent organizations with limited public operation (ON – municipal governments and QC – school authorities operate school-aged programs). While only 21% of centre-based services are operated for-profit, these form a large sector in a few provinces (See *Quality* section below).
- Inclusion of children with disabilities in regular ECEC services is the preferred approach in Canada. Financial support for inclusion is usually available but it is variable and is not usually an entitlement.

TABLE 2

Federal transfer payments designated for ECEC programs 2003-2008 (millions)

Program	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Multilateral Framework Agreement	25	150	225	300	350	350
“Foundations” bilateral agreements		200	500	650		
Child care spaces 2007 federal budget					250	250
TOTAL transfer \$ designated for ELCC	25	350	725	950	600	600



Aboriginal early childhood education and care programs

- There are seven federal government programs associated with Aboriginal ECEC programs, one providing funds for kindergarten as part of elementary education on reserve and the remaining six funding ECEC programs targeted to specific populations and, in some cases, specific provinces.
- Aboriginal child care can be found in all provinces/territories both on and off reserve.
- There are 494 on-reserve child care centres, up from 425 in 2004. There was growth in on-reserve child care in a number of provinces/territories, with significant increases in SK and BC.
- In six jurisdictions, on-reserve child care is regulated by the province/territory and in eight, provincial/territorial funding is available (in addition to federal funding, which is available in all jurisdictions).
- Federal spending for the six Aboriginal early childhood education and child care programs totaled \$159.6 million in 2006, up from \$135.7 million in 2004. Most of these funds are targeted to on-reserve First Nations communities.

ECEC POLICY ISSUES¹⁷

Access

For ECEC programs to be “accessible”,

- there must be a space available;
- the parent must be able to afford the fee (if there is a fee); and,
- the program must be appropriate, that is, it meets the child's and family's need vis-à-vis age/schedule/culture/special needs/preference.

Access – Coverage¹⁸

The term “coverage” refers to child care spaces relative to population. The figures here mean the proportion of children for whom a regulated space is available.

- For Canada as a whole, there were enough regulated child care spaces to cover 17.2% of children aged 0-12 in 2006 (15.5% in 2004, and 7.5% in 1992).
- In 2006, Canada-wide coverage in full or part-time centre-based spaces¹⁹ was 19.3 % of children aged 0-5 years.
- Coverage dropped in two jurisdictions (NU and YT) between 2004-2006. In all others, coverage grew only slightly – up about 4% in QC and NT, and up by less than 2% in all others.
- By province, 2006 coverage for 0-12 ranged from 34.8% in QC to 5.9% in SK.
- For 0-5 year olds, coverage in centres ranged from 42.4% in PE to 8.1% in SK.

In all provinces/territories except QC, which has a substantial supply of both school-aged child care and family child care, coverage for 0-5 year olds in centres is higher – sometimes considerably higher – than it is for all regulated spaces for 0-12 year olds.

Access – Supply

The supply of child care refers to the total number of spaces available.

- In 2006, there were 811,262 regulated child care spaces across Canada, only 65,337 more than the 745,935 spaces in 2004 (an increase of 436,689 in the 15 years since 1992).
- There were fewer spaces in four provinces/territories (PE, BC, NU and YT) in 2006 than in 2004, although the decreases were small. While in the other nine jurisdictions there were increases in spaces, these were also small.
- QC still represents a disproportionate share of Canada’s child care supply – 45% – while QC’s child population was 22% of Canada’s total 0-12 in 2005.
- As in previous years, QC accounted for much of the increase in child care supply (61% of the total increase) although QC’s growth was at its lowest level since 1995.
- Supply in child care in Canada outside QC grew by 25,536 spaces between 2004-

FIGURE 2 Percent of children 0-12 for whom a regulated child care space is available by province/territory 2006

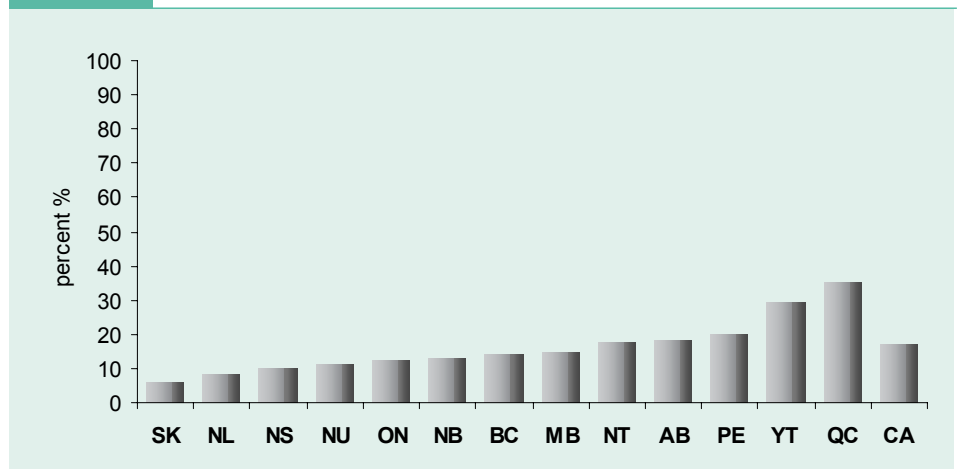
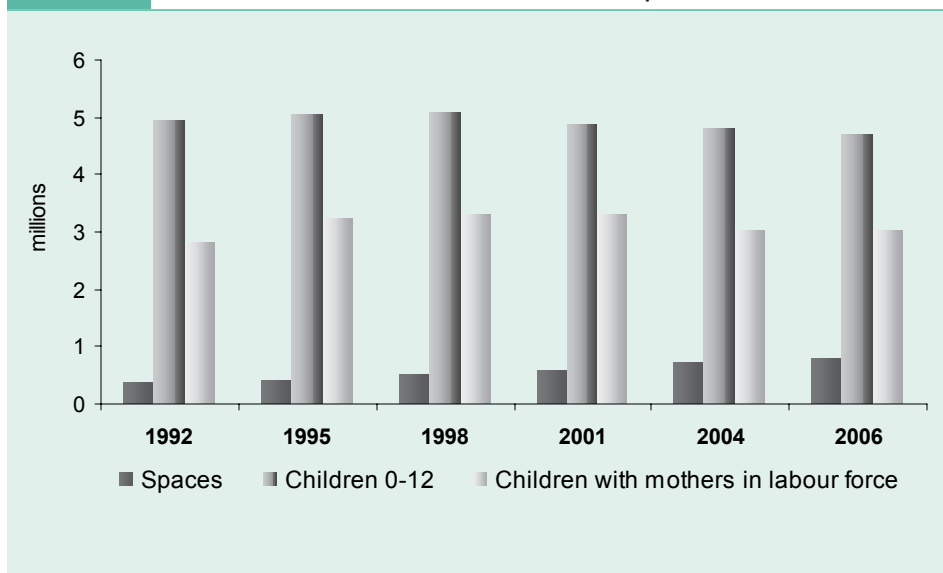


FIGURE 3 Regulated child care spaces, number of children, number of children with mother in the labour force for children 0-12 years old, 1992-2006



2006 compared to 65,000 new spaces in Canada outside Quebec between 2001-2004.

Access – Affordability

- Data on fees that are comparable across provinces/territories or over time are not available. The most recent cross-Canada fee data is from 1998. In a few instances, provincial/territorial governments have col-

lected fee data but these are not comparable. (See each provincial/territorial section in *ECEC in Canada 2006* to see where these are available).

- In two provinces, fees are set by the provincial government: in QC, parents pay \$7/day for all ages; in MB, the government sets maximum fees by age group (\$376/mth for 2 to 5 year olds, and \$560/mth for infants).

Quality

The quality of regulated child care in Canada remains a concern. In a 1998 study⁴ of child care quality across Canada, centres and regulated family child care homes received generally mediocre to poor scores on standard observational measures used widely in North American research. This study also provided data on indicators of quality such as training in early childhood education, wages, working conditions and benefits, management style, in-service training and staff morale.

Two detailed QC studies⁴ have shown – as did the national study – that quality in many QC child care centres is less than optimal and that for-profit programs are generally poorer in quality than non-profit programs. A 2007 analysis⁵ of these data reinforced and strengthened the latter findings.

There are no other Canadian studies of “process quality” so there are no recent quality data that are comparable across jurisdictions and/or over time. However, the research on quality has shown clear links between observed, or process quality, and a number of indicators.

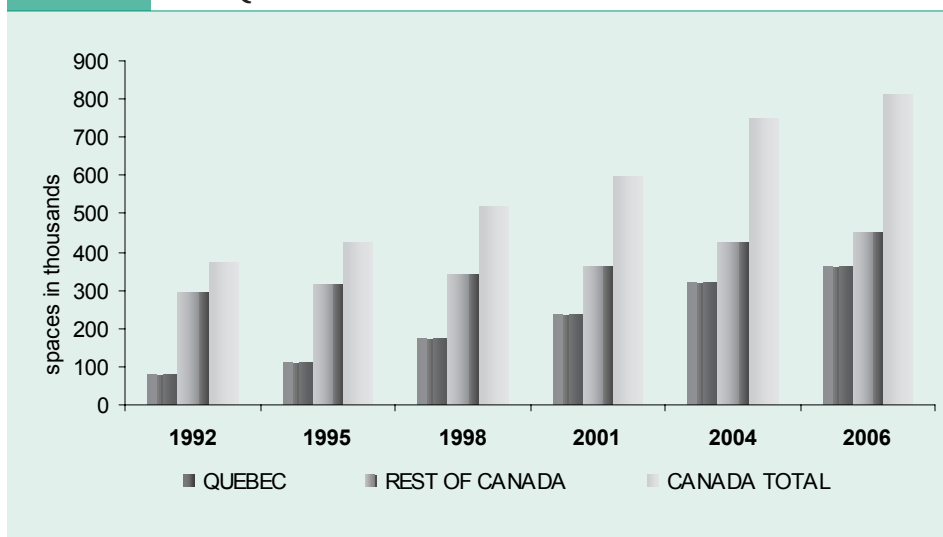
Below are available data from *ECEC in Canada 2006* on known indicators of quality.

Indicators of quality – Human resources

Post-secondary training in early childhood education is a well-documented correlate of higher quality as are wages and working conditions.

- No jurisdiction requires all child care staff to have postsecondary ECE training. In a number of provinces/territories, it is required for only a minority of staff.
- Required ECE training for staff in regulated child care centres and nursery schools ranges from none to a community college diploma (one to three years).
- Seven provinces now require ECE training of at least one year for a centre director; in almost all provinces/territories, no management or other supervisory training is required for centre directors.

FIGURE 4 Supply of regulated child care for children 0-12 years, QC, Canada outside QC and Canada as a whole 1992-2006



- Since 1992 there has been a steadily improving trend in ECE training requirements. Since 2004, however, improvements have been quite limited.
- Only two provinces require regular in-service training; five jurisdictions ask for a first aid certificate for all staff.
- There are at best minimal training requirements for regulated family child care providers. The limited data indicate that most providers earn low wages.
- There are no current comparable data on staff wages, a key indicator of child care quality. Provincial/territorial data (not comparable across jurisdictions), where available, show that wages are low.²⁰

Indicators of quality – Financing per regulated space

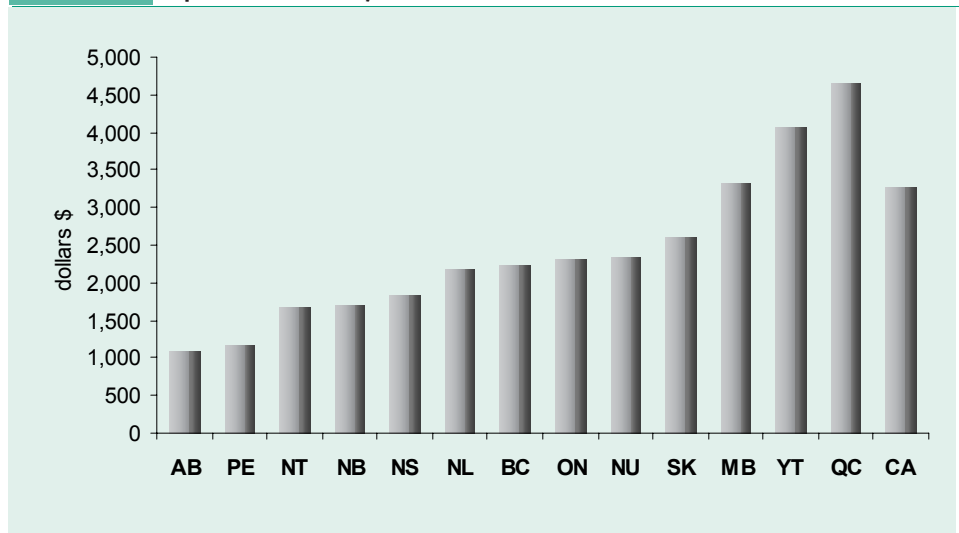
Public funding has a significant impact on ECEC quality through staff wages, retention, working conditions and morale and on facilities and equipment. The amount of funding for each regulated space is used here as a rough indicator of quality. It is calculated by dividing the provincial/territorial allocation by the number of regulated spaces.

- Public financing per space is low compared to public education or to countries with high quality ECEC programs, and has increased very little over time.
- Mean spending per regulated space nationally was \$3,259 in 2006, an increase of \$36 dollars over 2004 and only \$74 dollars since 2001.
- The range of public spending per space in 2006 was from \$4,644 in QC to \$1,093 in AB.
- Five provinces/territories spent less than \$2,000 per space in 2006.

Indicators of quality – Auspice

There is considerable research that documents how and why auspice, or ownership of ECEC centres, has an impact on quality.⁵ Research in Canada and other countries shows that auspice is linked to a number of key indicators of quality including staff training, wages, working conditions, turnover and education in ECE; administrative environment; compliance with minimum standards; health, hygiene and safety.

FIGURE 5 Public spending allocation per regulated child care space by province/territory 2006

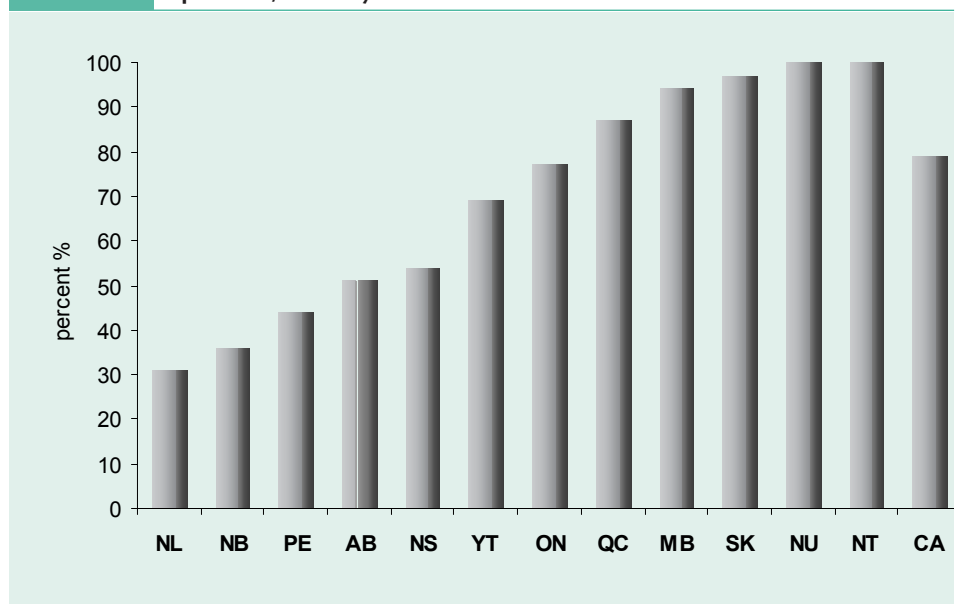


- Until 2006, for-profit child care had been steadily decreasing Canada-wide, dropping steadily from 30% of regulated spaces in 1992 to 20% in 2004. However, in 2006, it has increased for the first time to 21%.
- In four provinces/territories, the percent of for-profit child care increased between 2004-2006.
- In ON, the majority of growth (52% of

new spaces) in the past five years (2001-2006) was for-profit. This reverses a twenty year not-for-profit trend in ON.

- AB has shown the biggest decrease in for-profit child care, from 65% in 1992 to 49% in 2006.
- Data on auspice are no longer available in BC and estimates have been used in NB since 1998.

FIGURE 6 Percent of centre-based child care spaces that are not-for-profit by province/territory 2006



Financing²¹

Financing has a significant impact both on access to ECEC programs and on quality through its impact on staff wages, retention, working conditions and morale and on facilities and equipment.

Financing – Provincial/territorial spending

- Almost all provinces/territories increased their funding (budget allocation) on regulated child care 2004-2006.
- At the Canada-wide, aggregated level, funding allocated for regulated child care increased by \$242 million between 2004 and 2006. This was a considerably smaller increase than in previous years (2001-2004 the increase was \$512 million and it totaled \$841 million in 1998-2001). Note that QC's substantial increases in child care spending in previous years accounted for a disproportionate share of these funding increases.

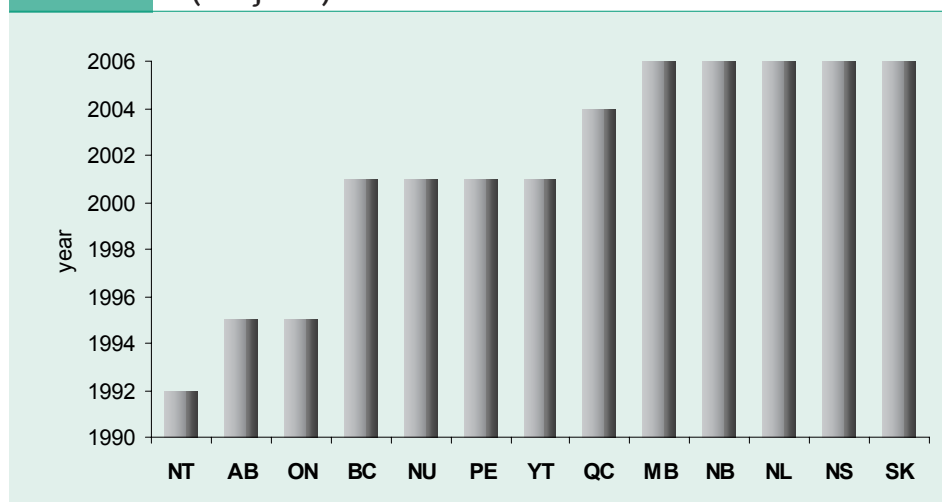
Financing – Public funding allocation per child 0-12

This figure is calculated by dividing the provincial/territorial allocation by the number of children 0-12 in the jurisdiction (so is an approximation).

- Public funding allocations per child 0-12 for regulated child care increased in all provinces/territories 2004-2006. The Canada-wide increase per child 0-12 was \$61.
- Despite the drop in child population, the increase in per child funding (unadjusted) has slowed from previous years when increases were \$164 per child (2001-2004) and \$179 (1998-2004).



FIGURE 7 Highest spending year per regulated space by province/territory (unadjusted)



- Substantial increases in QC's funding (which have slowed) accounted for much of the national increase. QC's biggest funding increase was in 1998-2001, when it grew by \$624 per child 0-12 in the province. In contrast, it was only \$169 between 2004-2006.
- Canada-wide, mean provincial/territorial allocated funding per child 0-12 was \$561.
- In 2006, the range in public funding per child was from a high of \$1,617 in QC to

\$141 per child in AB. These two provinces were the highest and lowest spenders in 2004 as well.

- There are substantial differences among jurisdictions in how dramatically (or not) child care spending per child has grown over almost two decades. For example, while NL, increased its spending allocations per child 12-fold, NB seven-fold, and QC 12-fold, in ON's spending allocation per child²² since 1992 increased by only \$46, and in AB by only \$15.

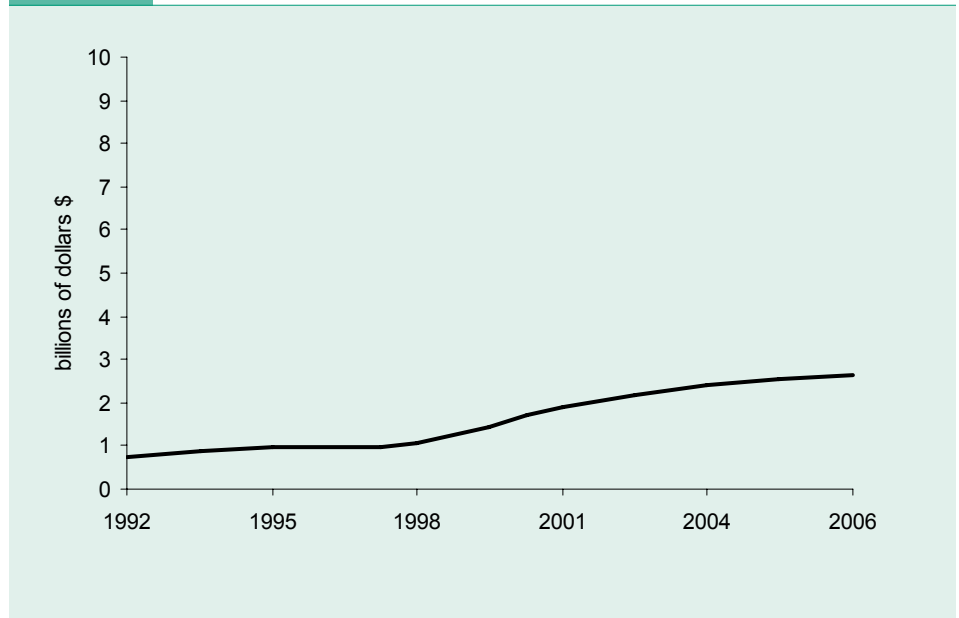
TABLE 3 Allocations for regulated child care by province/territory 1992 - 2006 (dollars in millions - rounded)

	1992 (\$M)	1995 (\$M)	1998 (\$M)	2001 (\$M)	2004 (\$M)	2006(\$M)
NL	1,668	2,980	3,300	7,753	9,636	12,322
PE	2,766	1,682	2,578	4,229	4,682	4,725
NS	11,421	11,844	15,684	12,892	19,768	23,695
NB	3,646	3,200	5,523	11,823	13,900	22,475
QC	140,726	203,695	299,860	1,092,428	1,560,000	1,678,879
ON	420,140	541,800	470,500	451,500	497,400	534,100
MB	42,152	45,204	45,189	62,876	73,004	86,327
SK	12,307	12,714	15,746	16,388	19,639	22,773
AB	66,613	67,623	54,297	57,500	53,699	72,470
BC	55,798	98,680	128,865	164,563	140,725	176,108
NT	not applicable	not applicable	not applicable	1,602	2,542	2,542
NU	not applicable	not applicable	not applicable	1,865	1,786	2,315
YT	2,438	4,148	4,764	4,440	5,197	5,409
CANADA	761,959	995,279	1,048,579	1,888,837	2,402,000	2,644,140

Financing – Fee subsidies

- All provinces/territories except QC continue to use parent fee subsidy systems.
- In all provinces/territories, the subsidy is paid to the child care program on behalf of the subsidized parent.
- Since 2004, subsidy eligibility levels (in non-adjusted dollars) went up in four provinces (NL, NB, AB, BC). Subsidy eligibility levels in other provinces/territories were static.^{23 24}
- Several provinces have maintained the same eligibility levels for subsidies since 1992.
- There is considerable variation²⁵ in the design of provincial/territorial fee subsidy systems that have an impact both on access for eligible parents and on quality. These variations include: availability of subsidies for eligible parents (i.e., whether there are waiting lists); how much of the fee a subsidy covers; whether centres are permitted (or required) to surcharge eligible parents; whether fee subsidies can be used in for-profit programs.

FIGURE 8 Total public funding allocated for regulated child care - Canada-wide 1992-2006 (unadjusted)



ENDNOTES

- 1 Statistics Canada. (September 21, 2007). *Births*. The Daily.
- 2 See Kevin Daly. (April, 2007). *Gender inequality: Growth and Global Ageing*. Global Economics Paper No. 154. New York: Goldman Sachs.
- 3 For example, see Shonkoff & Phillips' comprehensive summary of the research: "Research shows that the quality of ECEC services is critical in determining how developmentally effective they are". Indeed, "the positive relation between childcare quality and virtually every facet of children's development that has been studied is one of the most consistent findings in developmental science" (2001:313).
- 4 Goelman, H., Doherty, G., Lero, D., LaGrange, A., and Tougas, J. (2001) *You bet I care. Report 2. Caring and learning environments: Quality in child care centres across Canada*. Centre for Families, Work and Well-being. University of Guelph.
- Japel, C., Tremblay, R.E., & Côté, S. (2005). *Quality counts! Assessing the quality of daycare services based on the Quebec longitudinal Study of Child Development*. Montreal: Institute for Research on Public Policy;
- Drouin, C., N. Bigras, C. Fournier, H. Desrosiers, and S. Bernard. 2004. *Grandir en qualité 2003: Enquête québécoise sur la qualité des services de garde éducatifs*. Québec: Institut de la statistique du Québec.
- 5 Cleveland, G., Forer, B., Hyatt, D., Japel, C., and Krashinsky, M. (2007). *An economic perspective on the current and future role of non-profit provision of early learning and child care services in Canada*. University of Toronto, University of British Columbia and Université du Québec à Montréal.
- 6 The OECD's analysis of maternity/parental leaves and benefits uses the concept of "effective parental leave", which combines length and payment. While the length of Canada's leave provisions are on the generous side, they fall down on the payment. See Looking beyond our borders in *ECEC in Canada 2006* for comparative data.
- 7 However, the federal ECEC funds committed in the bilateral agreements were transferred to provinces/territories for one more year, ending March 31, 2006.
- 8 See Looking beyond our borders, in *ECEC in Canada 2006*.
- 9 Commission of the European Communities. (2002). *The Lisbon strategy: Making change happen*. Brussels: Author.
- 10 Foot, D., with Stoffman, D. (1996). *Boom, bust and echo*. Toronto: Stoddart Publishers.
- 11 See provincial sections of *ECEC in Canada 2006* for data details.
- 12 Canada has a higher child poverty rate than many other OECD countries, according to data from UNICEF's Innocenti Research Centre including in the Looking beyond our borders section in *ECEC in Canada 2006*.
- 13 See data on number of births, number of claims and length of claims in each provincial/territorial sections in *ECEC in Canada 2006* and previous years.
- 14 Note that federal spending on maternity/parental benefits is contributory, coming from the EI fund.
- 15 Self-employed workers are not eligible for the federal maternity/parental benefit.
- 16 Year-of-age enrollment data for kindergarten are not available.
- 17 Data in this section refer to regulated child care.
- 18 Coverage (the percent of children for whom there is a regulated space) is a function of the number of children and the number of spaces.
- 19 Regulated family day care is not included in the coverage calculations for children aged 0-5 because age-breakdowns are not available.
- 20 Statistics Canada data show that for women working full-time, full-year, ECEs and assistants earn about 60% of the average and about 57% of the average for those with a post-secondary credential (Beach, J., Bertrand, J., Forer, B., Michal, D., and Tougas, J. (2004) *Working for change: Canada's child care workforce*. Ottawa: Child Care Human Resources Sector Council).
- 21 All financial figures are actual dollars, not adjusted for inflation.
- 22 It should be noted that the ELCC transfer from the federal government is not included in the ON provincial allocation figures in 2005/06. These funds were transferred to municipalities as unconditional grants for ELCC expenditures but as neither the type of expenditure nor the year is known, these amounts were not included in the provincial allocation figures (see ON section of *ECEC in Canada 2006*).
- 23 Note that these data do not include QC or ON. QC does not use a subsidy system anymore, and in 2006, ON still used a needs test (it has now switched to an income test, consistent with other provinces/territories).
- 24 The data cited here refer to one-parent, one-child family type.
- 25 For further details, see the provincial/territorial sections of *ECEC in Canada 2006*. Beach, J. and Friendly, M. (2005). *Child care fee subsidies in Canada. Working documents from Quality by design*. Toronto: Childcare Resource and Research Unit. Online at www.childcare-canada.org.
- 26 This was amplified in the OECD's analysis (see *Starting Strong, 2001*, online at www.oecdbookshop.org, P1) and in the *OECD's Canada Country Note*.
- 27 See *Elements of a high quality early learning and child care system*. Online at www.childcarequality.org. Retrieved August 11, 2007.

A NOTE ABOUT DATA, RESEARCH AND EVALUATION

As the 2005 *Trends and analysis* noted "The quality of the analysis is only as good as the quality of the data...a recurring theme of *ECEC in Canada* has been the frailty of the data".

The importance of data, research and evaluation in an important public policy area like ECEC has been made again and again.²⁶ Last year, citing the available knowledge on this point, the Childcare

Resource and Research Unit's *Quality by design* project identified collection and analysis of information for evaluating effective practice and ensuring accountability as one of the eight elements of a high quality ECEC system.²⁷ In developing *ECEC in Canada 2006* and this *Trends and analysis 2007*, the absence of key pieces of data as well as research to help answer policy questions continued to be an issue.



ONLINE RESOURCES: WWW.CHILDCARECANADA.ORG



Online documents

Database of research reports, government documents, policy studies, and news articles



Childcare Information Resource Collection (CIRC)

Catalogue of over 17,000 print materials on ECEC policy and related topics



Current developments in ECEC in Canada

Selection of online readings about ECEC policy issues in each province and territory



Issue files

Collections of online readings about topical issues in ECEC policy



CRRU publications

Most of our publications are available in full text online. Print copies may be ordered using the online order form or by contacting the Unit.



Links

Government, academic and NGO web sites relevant to ECEC policy and social policy



Events calendar

An online listing of significant conferences and other events for the ECEC community



Quality by design

The Quality by design project focusses on the elements of a high quality ELCC system and has its own website at www.childcarequality.ca

ABOUT THE CHILDCARE RESOURCE AND RESEARCH UNIT

For more than a decade, the Childcare Resource and Research Unit has compiled data and information about early childhood education and child care services and policy on a regular basis. The publication that is now *ECEC in Canada* grew from a "provincial fact sheets" format to *Child care in Canada: Provinces and territories*, then to a broader conception of "early childhood education and care" or "early learning and child care". *Early childhood education and care in Canada 2006* is the 7th version to be published by CRRU (1989, 1992, 1995, 1998, 2001, 2004 and 2006).

Between 1985 and 2006, the Childcare Resource and Research Unit was funded by the Government of Canada to provide information resources and policy analysis; *ECEC in Canada* was part of that work. The 2006 edition of *ECEC in Canada* and this *Trends and analysis* were funded through a 2003-2007 contribution agreement from Human Resources and Social Development Canada.



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