

## Early childhood development services: How much will they cost?

Martha Friendly & Laurel Rothman

*Campaign 2000 is a cross-Canada coalition of more than 85 diverse organizations committed to the elimination of child and family poverty and to improving the life chances for all children.*

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On September 11, 2000 Canada's First Ministers (except for Québec's\*) announced an agreement on early childhood development services. The Ministers identify two objectives for this initiative:

- to promote early childhood development so that, to their fullest potential, children will be physically and emotionally healthy, safe and secure, ready to learn, and socially engaged and responsible
- to help children reach their potential and to help families support their children within strong communities.

The Ministers' statement defines four areas to be developed to meet these objectives:

1. healthy pregnancy, birth and infancy
2. parenting and family supports
3. early childhood development, learning and care
4. community supports.

### Costs for the first steps

We have interpreted the commitment of the Early Childhood Development Agreement to mean ensuring core services so that, as the First Ministers put it, "every child should be valued and have the opportunities to develop his or her unique physical, emotional, intellectual, spiritual and creative potential." We have calculated the actual cost of meeting this commitment and find that it is not out of

line with spending guidelines relating to children in other industrialized nations.

Generally, Campaign 2000 agrees with the objectives defined in the First Ministers' statement, although we believe that attention to several other areas (like housing, employment and improved child benefits) is also essential to truly improve children's life chances. At this point, however, we have set a cost for what is necessary to ensure that the intent of the first steps, as outlined in the communiqué's objectives, can be met.

### 1. Healthy Pregnancy, Birth and Infancy – \$267 million

Healthy pregnancy, birth and infancy could be promoted by expanding and strengthening efforts to combat fetal alcohol syndrome and fetal alcohol effects (FAS/FAE) and by providing home visits to new mothers by public health. A much-expanded budget would strengthen the Canada Prenatal Nutrition Program (CPNP), which already provides support in over 680 communities. In 1999, the federal government increased its funding to CPNP by \$75 million over three years to expand the reach and number of CPNP projects, to enhance surveillance and to strengthen efforts to prevent FAS/FAE. Increasing the total annual budget to \$250 million would seem reasonable.

The cost of providing a public health home visit for each new birth would add an additional \$16.7 million annually (in the year 2000, 334,000 births times \$50 for each home visit).

Thus, the total cost of more broadly promoting healthy pregnancy, birth and infancy would be \$267 million annually. This figure does not include either the pre- and post-natal medical care provided by doctors and hospitals under the Canada Health Act or the pre- and post-natal family support services provided by family resource programs (see item 2, below).

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## 2. Parenting and Family Supports - \$1.7 billion

Family resource programs deliver a wide range of family support services; the particular mix varies in response to the needs of the community. Services usually include activities with a focus on parent/child interaction, information and referral to resources and parenting education courses and workshops. Other services that are often found in family resource programs include toy and equipment lending, a parents warm line, support groups for families, short- and long-term counselling, supervised visiting for estranged families, mediation, emergency and crisis intervention, outreach/home visiting, family violence programs, and breastfeeding programs. It should be noted that some of these services are intended to promote healthy pregnancy, birth and infancy (as in item 1 above).

The Canadian Association of Family Resource Programs calculates that a well-designed family resource program providing basic support to 300 families would cost approximately \$300,000 annually. (Costs vary substantially depending on several variables, for example the exact services provided, rural or urban setting, etc.) The estimated cost of providing these core parenting and family supports for the 1.7 million families in Canada with preschool-aged children is calculated to be \$1.7 billion annually.

## 3. Early Childhood Development, Learning and Care - \$7.4 billion

Currently early childhood development, learning and care is provided through a hodgepodge of unconnected services: regulated child care, kindergarten, nursery schools, "Head Start", and so on. At the same time, many parents cannot access the services they need. In recent years, the trend has been to consider providing these services more holistically and universally (as Québec has done).

Cleveland and Krashinsky, economists at the University of Toronto, carried out a costing for this kind of more holistic or blended and universal early childhood development, learning and care service (1998). They calculated \$5.3 billion to be the *net* cost for a publicly funded early childhood development, learning and care system for all two- to five-year-olds in Canada (with affordable parental fees).

Assuming that extending maternity/parental leave benefits to one year would permit more universal take-up, it is supposed that most parents of infants would utilize one year of paid leave. Adding one- to two-years-olds to Cleveland and Krashinsky's cost projections would add \$2.1 billion to the net cost of the program for a total net cost of \$7.4 billion.

## 4. Community Supports - \$654 million

Community supports for early child development (ECD) would include infrastructure, system management, research and development, new service models, community support and development, and some training. In order to estimate reasonable administration costs, one could start from the base figure of five percent (the percentage allowed for administration of school boards in Ontario) and add another two percent recognizing that since the ECD system is in its infancy, it has some additional requirements. The total cost of items 1, 2 and 3 above comes to approximately \$9.35 billion; seven percent of this figure is \$654 million.

## Total costs of fully developed ECD services – \$10 billion

Thus, we estimate the actual cost of implementing ECD to be about \$10 billion annually. It is not unreasonable to ask that the commitments made to children be met when we consider the size of federal budget surpluses. It should be noted as well that European Union guidelines recommend national expenditures of one percent of GDP for what our First Ministers' communiqué calls Early Childhood Development, Learning and Care. Several EU nations now exceed this commitment. One percent of Canada's GDP is approximately \$10 billion.

## Next steps

Campaign 2000 is now looking for the next step, enhanced investment of \$2 billion in Early Childhood Development Services in the coming year and, in addition, a five-year plan to recognize the true cost of meeting the commitments.

So first things first. Let's put children ahead of tax cuts. We have the means. Now we need the commitment.

*\* While sharing the same concerns on early childhood development, Québec does not adhere to the present federal-provincial-territorial document because it believes that sections of it infringe on its constitutional jurisdiction on social matters. Québec intends to preserve its sole responsibility for developing, planning, managing and delivering early childhood development programs.*