

# CARING FOR ONTARIO'S CHILDREN

## PROTECTING DIVERSITY IN CHILD CARE

Child care is the care of a child, no matter who provides that care. Families have diverse care needs and rely on a variety of forms of care to meet those needs. Public policy best serves families when it offers flexibility and choice.

The federal government intends to implement a national universal child-care program that will require the provinces to exchange autonomy for funding directed toward a one-size-fits-all system. A national universal child-care program is structurally opposed to equity for all families, because it limits funding based on the type of care families use. **There are better options.**

This resource is a collection of documents that examines provincial child-care user data and explores probing questions about the implementation of a federal universal program. It provides a summary of the report “A Positive Vision for Child Care Policy Across Canada,” outlining principles and policies for an equitable approach to child care.

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**CARDUS** is a non-partisan, faith-based think tank and registered charity dedicated to promoting a flourishing society through independent research, robust public dialogue, and thought-provoking commentary.

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**CARDUS FAMILY** conducts, compiles, and disseminates Canadian research on family and marriage and their strengthening impact on civil society.

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# CHILD CARE BY THE NUMBERS: ONTARIO

Child-care policies should be equitable for all families, regardless of the type of care they choose. Universal child-care systems fail to recognize the diverse care needs of Ontario parents and their reasons for the type of care they choose.

**Type of child-care arrangement among children in non-parental child care, household population aged 0 to 5 years, Ontario**

Type of child care arrangement	Percentage
Daycare centre, preschool, or childcare centre (CPE)	45.6
Care by a relative other than parent	33.6
Care by a non-relative in the child's home	5.5 E
Family child-care home	15.3
Before- or after-school program	13.3
Other child-care arrangement	3.5 E

Source: Statistics Canada, "Table 42-10-0005-01: Type of Child Care Arrangement, Household Population Aged 0 to 5 Years."  
E: use with caution  
Respondents selected all that applied, resulting in a sum that exceeds 100 percent

Of Ontario children under age six, about **46 percent** are in parental care only.<sup>1</sup>

Less than **3 percent** of Ontario children under age six are in parental care because the parent could not find another option.<sup>1</sup>

**Top five reasons for using main child-care arrangement, household population aged 0 to 5 years, Ontario**

Parent and/or guardian's reasons for using main child-care arrangement	Percentage
Location	61.7
Characteristics of the individual providing care	51.6
Hours of operation	40.3
Affordable Cost	39.8
Program characteristics	35.0

Source: Statistics Canada, "Table 42-10-0006-01: Parent/Guardian Reasons for Using Main Child Care Arrangement, Household Population Aged 0 to 5 Years."  
Respondents selected all main reasons from twelve options.

Of Ontario parents who use non-parental child care, about **64 percent** report that they have no problem finding the care.<sup>1</sup>

Of **all** Ontario children under age six (those in non-parental child care and those who are not), about **24 percent** are in centre-based care or preschool.<sup>2</sup>

**Ontario should take a neutral, evidence-based approach and respect the diversity of care that parents use.**

1. Source: Statistics Canada, "Early Learning and Child Care for Children aged 0 to 5 years: A Provincial/Territorial Portrait," <https://www150.statcan.gc.ca/n1/pub/11-626-x/11-626-x2019013-eng.htm>.  
2. Calculations based on Statistics Canada, "Table 42-10-0004-01 & Table 42-10-0005-01: Early Learning and Child Care for Children aged 0 to 5 years: A Provincial/Territorial Portrait," <https://www150.statcan.gc.ca/n1/pub/11-626-x/11-626-x2019013-eng.htm>.

# SUMMARY: A POSITIVE VISION FOR CHILD CARE POLICY ACROSS CANADA

AVOIDING THE SOCIAL AND ECONOMIC PITFALLS  
OF UNIVERSAL CHILD CARE

January 2019



**READ THE FULL REPORT:** [CARDUS.CA/RESEARCH/FAMILY](https://cardus.ca/research/family)

**THIS DOCUMENT IS THE RESULT** of a collaborative process in which Cardus Family conducted consultations with child care stakeholders, academics, parents, educators, NGOs and think tanks. The following parties have signed on to this document and more will be added as we promote the paper. The only shared consensus for signatories is the recognition that “universal” systems do not work. While there are several policy options in the recommendation section, not every signatory to this paper will agree with each of these. We share agreement in rejecting so-called universal systems put forward by government and otherwise welcome a robust discussion and exploration of a diversity of public policy options.

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## EXECUTIVE SUMMARY

Based on a longer paper that tells the history of family policy in Canada, identifies philosophies around approaches to child care policy, cites international examples, and gives evidence for outcomes from Quebec-style early learning programs, this short summary recognizes there is a fundamental inequality in child care funding today, based on the type of care parents choose. Where funding for child care is concerned, a positive vision includes equal funding for all families regardless of care type.

Instead, the child-care-policy landscape is shifting toward “universal systems” that don’t effectively or strategically support families.<sup>1</sup> Evidence lays to rest the myth that a universal system works in (1) providing high-quality child care and (2) providing sustainable child care. The creation of government-funded universal child care systems is structurally opposed to the diversity children and families need. With Quebec-style universal systems, many families are excluded from significant benefit, violating the human-rights principle of equal benefit under the law. Taxpayer money is currently allocated based on the style of child care chosen, violating the principle of free choice without discrimination based on lifestyle choices. Furthermore, government funding for child care systems is opposed to what Canadians prefer.<sup>2</sup> Finally, peer-reviewed research is clear on the lack of benefit for the majority of middle-class children in universal state care.<sup>3</sup>

In light of all this, we asked the following questions:

- What has the tradition in child care policy been in Canada to date?
- What can we learn from international examples?
- What are the characteristics of great child care policy?
- What principles should guide a positive vision for child care?
- Which policies best reflect these guiding principles?

The history of child and family policy places Canada in the tradition of liberal diversity. As a result, a number of different solutions are on the table. Again, solutions here reflect political values that are both left and right, ranging from high subsidies to families to lower taxes. The only shared consensus for

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1. Universal systems, such as Quebec’s, are not accessible to all. Thus “universal” is a misnomer. For more information, see Norma Kozhaya, “Quebec’s Failed Child-Care Model,” Montreal Economic Institute, May 10, 2007, <https://www.iedm.org/1921-quebecs-failed-child-care-model/>

2. Rick August, “What Child Care Do Parents Really Want?,” Rickaugust.ca, August 2015, <http://rickaugust.ca/what-child-care-do-parents-really-want/>.

3. Michael Baker, Jonathan Gruber, and Kevin Milligan, “Universal childcare, maternal labor supply, and family well-being,” *Journal of Political Economy* 116 (2008), 709–745. Michael J. Kottelenberg and Steven F. Lehrer, “New Evidence on the Impacts of Access to and Attending Universal Childcare in Canada,” National Bureau of Economic Research, February 2013), <https://doi.org/10.3386/w18785>. Vincent Gelo-so, “Subsidized Daycare—What British Columbia Can Learn from Quebec’s 20-Year Experiment,” Fraser Institute, 2018, <http://bit.ly/2u4CIRM>. See also the section “What’s Happening in Quebec” in this paper. The main source for positive benefits from early intervention is typically the Perry Preschool Project, which was a high-intensive intervention for a small group of severely at-risk kids in Michigan. The application of this to a province or country is limited. There is overarching consensus that the early years matter for child development. The debate occurs over how to best help in those early years.

signatories to this paper is the recognition that universal systems do not work. The goal of this collaborative effort is to take universal child care as an option off the table, once and for all.

Each province therefore can and should take its own approach in early learning and care, as should each municipality, understanding that the care of small children should rest very close to those needing the care. The federal government will want to pursue policies to maximize freedom and choice.

“Child care” here is defined as the care of a child, regardless of who does it.<sup>4</sup> Respect for parental preference in the early years is paramount. The freedom to decide what works for a family comes when many different options are on the table, and this freedom is the result of parents having more money in their pockets. We understand and recognize that in different parts of the country the challenges to care are different—for example, that in rural care, the situation is drastically different from that in an urban centre. This points to the need for solutions that are community-based, and not delivered from Ottawa or other provincial capitals.

While child care is largely a provincial jurisdiction, we also examine federal policy in order to set the stage and understand the overarching policy under which provincial policy lives. As we navigate this difficult topic, the principles outlined in the following section will be important in understanding how to best advance child care provision. There is interplay between all family, government, business, and civil-society organizations; and a thriving early learning and child care sector will not elevate one area at the expense of the other.

This white paper is the result of a collaborative effort from experts—parents, activists, academics, educators, businesspeople, think tanks, and NGOs. While we have put forward these options, we welcome a robust discussion and exploration of diverse public policy.

## PRINCIPLES OF GREAT CHILD CARE POLICY

The following are the key principles undergirding great child care policy.

### CHOICE

Real choice means accommodation for many diverse types of care. Choice means the equitable treatment of independent care providers, as well as stressing the power and importance of mothers, fathers, grandparents, extended family, or any other person of the primary caregiver’s choice. Contrast a top-down, one-size-fits-all system with the personal, intimate, local, and child-focused needs and wants of parents in a diversity of places, urban and rural.

### FUNDING NEUTRALITY

All levels of government must remain neutral about the type of child care parents choose, acting only to provide quality regulations based on peer-reviewed research. Centres, public or private, not-for-profit or for-profit, home-based care, faith-based care, nannies, parents, and extended family: it’s all care, and

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4. This is the definition used in this Statistics Canada report. Statistics Canada and Health and Welfare Canada, “Canadian National Child Care Study, Introductory Report,” Catalogue 89-526E, February 1992, 134, [http://publications.gc.ca/collections/collection\\_2016/statcan/CS89-526-1992-eng.pdf](http://publications.gc.ca/collections/collection_2016/statcan/CS89-526-1992-eng.pdf).

the government does not prioritize one type over another; parents and families do. A government monopoly on child care would be negative, just as a corporate monopoly would be. State neutrality opens up a beautiful patchwork quilt of care—one where parents can make their own choices. State neutrality places a safety framework over non-parental care but otherwise steps back without imposing values on Canadian families.

## QUALITY

Child care settings should be subject to simple, consistent, and easily understood and enforced quality and safety standards that are transparently enforced. They should not be bogged down in inaccessible, changing, or unknown regulations that have more to do with insurance and legal requirements than on quality and safety. Parents cannot be alienated from standards of quality—they need to be able to measure what care is better.

## DIVERSITY

Diversity is our strength. Different communities can create their own child care. The principle of subsidiarity means ensuring that decisions are taken as closely as possible to the citizen.<sup>5</sup> This links closely to the neutrality principle. A corporate or government monopoly means that parental choice and quality suffer. Working together, we can allow for a diversity of child care options to flourish. In the past, advocates of universal care bemoaned the “patchwork” of care across the country. Patchwork quilts are a beautiful art form to celebrate. They are a symbol of different types of care coming together into one whole cloth.

## PARENT ACCOUNTABILITY

In existing publicly funded school settings, parents are often shut out or find it difficult to access resources for their children, particularly where special needs exist. The need to advocate for your child and liaise with staff is even more important at younger ages. Direct involvement with a child care provider ensures that the best interests of the family are met because the provider is dependent on a good relationship with the family. Parents lack formal representation such as a union and thus lack power in the public square. Funding parents instead of providers helps parents find their place and restores power to parents. Regardless of situation, wealthy or poor, employment in paid work outside the home or not, parents control the type, amount, and quality of child care their children receive. Parents need to know they are ultimately responsible for the quality of their children’s care, regardless of type.

## BEST INTERESTS OF THE CHILD

Evidence-based child care provision applies good, peer-reviewed research on what works well for child outcomes. Child care needs to ensure that child well-being is not compromised at any expense. Making economic or social arguments around child care, like drawing correlations to increased labour-force participation, raising the GDP, responding to gender equity in the workplace, or attempting to increase fertility rates may be interesting, but the best child care policy will be the one that prioritizes child well-being.

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5. “Subsidiarity,” Eur-Lex, <https://eur-lex.europa.eu/summary/glossary/subsidiarity.html>

These important principles undergird good child care policy and point to enhancing existing solutions rather than the creation of a universal system.

## A POSITIVE VISION OF FAMILY POLICY: SUGGESTIONS AND SOLUTIONS

### FEDERAL RECOMMENDATIONS

**Canada’s approach to family policy has long been heterogeneous.** No particular path in child care should be taken for granted, or assumed to be more effective, or more “Canadian.” We have many options available to us, based in our history and tradition.

**Build on the successful Canada Child Benefit.** This is an effective model that supports families in their diverse choices. It is already in operation. The amount a family receives is geared to income. Monthly amounts should be increased, including for middle-income families, for whom child-care-related expenses are a significant burden. Importantly, other child care funding should be transferred and gradually eliminated to offset the costs of increasing this benefit.

**Work on increasing the flexibility of parental leave.** Allow for parents on leave to receive a higher level of employment income, before EI benefits are clawed back. Many parents would like to work up to twenty hours per week while on leave, but the current system doesn’t make this feasible. Allowing for a small amount of part-time work while on leave would help parents stay engaged in their jobs and help businesses who may not need to hire a full-time replacement worker. This also eases transitions and sets up greater flexibility in the workforce, something many parents desire long after parental leave is over. Business can take their own approach to this, including the use of “keep-in-touch” programs for parents on parental leave.<sup>6</sup>

**Maintain neutrality to market-based/independent child care.** Diversity and choice are critical. Today we are witnessing unnecessary discrimination against market-based, home-based, or other private/independent child care. These forms of care are some of the most popular for parents as they often mimic the home environment more closely.

**Remove child care policy from policies pertaining to GDP enhancement, labour-force building, or gender equity and place it squarely in the domain of family policy.** All manner of justifications have been used to create versions of child care policy. Some of these justifications may seem important, but this is not the point: Child care is family policy. Given the sensitive age of the children involved and what research shows about the importance of the early years, child care policy exists to serve families, not the other way around. Government neutrality, one of our child care principles, will enhance parental choice; and given free choice, some parents will choose workforce participation, while others will choose parental child care.

**Maximize the freedom of the federal-provincial bilateral agreements.** There is space on the regulatory side to ensure and affirm flexibility. Diversity is an important quality to maintain, and true diversity flourishes where freedom is maintained for a community in a particular province to be able to respond to child care needs in a manner that befits that community. We would prefer money go to parents, but

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6. Ivona Hideg et al., “Do Longer Maternity Leaves Hurt Women’s Careers?,” Harvard Business Review, September 14, 2018, <https://hbr.org/2018/09/do-longer-maternity-leaves-hurt-womens-careers>.

where this is not the path government takes, maximum freedom must be allowed for provinces to act in accordance with citizens' desires. Separate plans for child care in Indigenous communities seems a hopeful sign in this regard.

**Think Finland, Not Sweden.** If spaces must be funded, the Finnish approach is superior to Sweden's. Finland consistently has the best educational outcomes in the world, which alone makes their education policy worth studying. They have a program of family benefits that normalizes a measure of choice, be it to provide parental care in the first three years of a child's life, or use non-parental child care and return to paid work. The type of child care offered by professionals is of the nurturing and caring, as contrasted with educative models. Finnish child policy is expensive, and it doesn't reflect Canada's liberal traditions, which are unlikely to support anything nearing a three-year leave. That said, it provides some funding to parents, is child-friendly, and remains more generally neutral on the nature of parental choices in the first three years of a child's life. "The allowance consists of two parts: a fixed care allowance amount and a means-tested care supplement. The monthly care allowance is 341 euros for one child under age three, 102 euros for each additional child under age three, and 66 euros for an older sibling who is still under school age."<sup>7</sup> The Finns also learned via trial and error that the idea of universal child care was too expensive, causing them to move to a more diverse model.

**Define child care as the care of a child, no matter who does it.** The effect of current definitions, which do not include parents or family, is to discriminate against parents and family. What a definition change would signal is inclusivity. While many professionals do a wonderful job working with children, this should not be emphasized at the expense of family and parental care.

**Lower taxes.** Lowering family taxes provides a viable way for parents to be more self-sufficient, choosing what they do with the money they are not paying in taxes. Family taxation is one way to achieve this, and a simple lowering of individual taxes is another way.

## PROVINCIAL RECOMMENDATIONS

**Let funding follow the child, not spaces.** If a parent chooses parental child care, then fund that. If a parent wants to use non-parental child care, then fund parents to pay for that. Maintain state neutrality toward the care of children. Funding should be divided equitably among all kids by age and likely, though not necessarily, by income. For example, in British Columbia, the Affordable Child Care Allowance began in September 2018. Funding is on a sliding scale, but parents who use non-parental care can get up to \$1,500 a month to spend on child care.<sup>8</sup> If that were extended to parents who want to do parental child care, that would allow a lot of families to choose to do so.

**If a government chooses a tax rebate program for child care, broaden the definition of what constitutes child care to include all forms of child care, be it parental, family, home-based, nannies, or independent.** If families don't have the money to pay for child care up front, include a voucher program for parents, not spaces. Vouchers should be in a dollar amount that reflects the cost of child care and could cover a whole range of options, from parental child care to institutionalized care, day homes, nannies, and family caregivers.

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7. Kaarina Korhonen, "Family Policies: Finland (2014)," Population Europe Resource Finder and Archive, 2014, <https://www.perfar.eu/policy/family-children/finland>.

8. "British Columbia: My Family Services," Government of British Columbia, <https://www2.gov.bc.ca/gov/content?id=FCC7ACF3C7BC4C0D8D56CA75D07F66E5> (accessed September 21, 2018).

**Stop discrimination against market-based child care/independent child care.** In some provinces there is a deliberate strangling of the private sector. This results in a decrease in spaces and choices. Opening the market up—under appropriate regulation and safety requirements, of course—would mean more choice for parents. Child care provision can and should be allowed to include entrepreneurial activity.

**Reduce inefficiency in finding child care and improve data-gathering on child care providers.** This kind of privately owned and operated service will help parents find and choose the proper non-parental child care service for their family. Digital tools such as online registries and mobile apps can accelerate the discovery of these services.<sup>9</sup>

**Establish a stable and unchanging age for kindergarten to begin.** In Ontario, the goal appears to be to extend government-funded kindergarten to lower and lower ages. What this has done is create instability, and put non-parental child care providers out of business. Establishing an age at which kindergarten starts would ensure stability of the child care sector below that age, without the insecurity that the constant threat of government encroachment provokes in the sector. Kindergarten should also be targeted toward at-risk children who may actually benefit from the programs.

**Consider changing the requirements to become a qualified Early Childhood Educator.** Qualifications are important, but education and training for child care providers can vary. More important than degrees is the presence of caring and empathetic adults in a high ratio of adults to children, allowing for dialogue and listening.<sup>10</sup> Newcomers to Canada, for example, could enter into child care provision immediately without the barrier of lengthy and expensive degree and certificate programs.

**Streamline the reporting process for independent child care inspectors.**<sup>11</sup> Currently in Ontario, checks on the quality of child care in independent child care provision are widely variant between inspectors. Standardizing the approach would allow for consistent and objective reporting.

**Facilitate licensing in Ontario.** “Gaining accreditation for independent childcare providers can be a difficult and costly endeavour. . . . These agencies take a regular fee, per child, averaging \$10 per child, per day.”<sup>12</sup> There is often no benefit to the independent child care provider as a result of licensing; however, there is a tremendous financial burden. Changing the problems of licensing would help return independent child care providers to the market in Ontario. Allowing independent child care providers to engage in a consultative process that would help form how licensing occurs will ease the burden on independent child care providers and create more options for families.

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9. See existing services by child care entrepreneurs like Cubby Spot, <http://www.cubbyspot.com/>.

10. Carollee Howes, Deborah A. Phillips, and Marcy Whitebook, “Thresholds of Quality: Implications for the Social Development of Children in Center-Based Child Care,” *Child Development* 63, no. 2 (1992): 455–56.

11. Heidi Higgins et al., “Playing Fair: Supporting Independent Childcare Providers,” Coalition of Independent Childcare Providers, May 2017, <http://www.cicpo.ca/wp-content/uploads/2016/09/CICPO-Recommendations-Website-Version-2.pdf>.

12. Higgins et al., “Playing Fair.”

## REAL QUESTIONS ABOUT UNIVERSAL CHILD CARE

Since the start of the pandemic, calls for universal child care have picked up steam. Before pursuing this policy approach, however, there are important questions to answer. These questions pertain to all aspects of child care—accessibility, quality, and cost. Every family is different, and child care needs and desires vary.

**Will a federally funded, universal system be able to meet these needs?**

### QUESTION 1: IS QUEBEC A MODEL OF HIGH-QUALITY, AFFORDABLE CARE?

Quebec’s universal daycare system has been in place for twenty years, and yet high-quality care remains elusive.

While child-care research is plentiful, not all of it is created equal. The most rigorous academic research shows that the Quebec model struggles with the provision of high-quality child care. One such peer-reviewed study by economists Michael Baker, Jonathan Gruber, and Kevin Milligan in 2005 found that “children were worse off in the years following the introduction of the universal child care program.”<sup>1</sup> In 2015, the same economists conducted another study concluding that “negative non-cognitive effects persisted to school ages, and also that cohorts with increased child care access subsequently had worse health, lower life satisfaction, and higher crime rates later in life.”<sup>2</sup> Another economist, Steven Lehrer, decided to test the findings of Baker, Gruber, and Milligan, thinking that he would not be able to replicate the results. Instead, he concluded, “The main result we found was that Baker, Gruber and Milligan’s work is 100 per cent correct. It’s robust.”<sup>3</sup>

Université du Québec à Montréal economist Pierre Fortin acknowledges the problem with low-quality care in Quebec but blames it on the problem of having “two tiers.”<sup>4</sup> He writes, “The high-performance early childhood centres’ (CPE [Centres de la petite enfance]) network has been demonstrated to deliver positive cognitive, health and behavioural results on average, and to be effective in reducing the vulnerability of children of all income classes, but it absorbs only 1/3 of children.”<sup>5</sup> Non-CPE care is blamed for low quality within the system. Yet two decades after implementation, non-CPE care is a necessity within Quebec’s system because of the inability to access the CPE spots.

1. Michael Baker, Jonathan Gruber, and Kevin Milligan, “Universal Childcare, Maternal Labor Supply, and Family Well-Being,” Working Paper, National Bureau of Economic Research, December 2005, <https://doi.org/10.3386/w11832>.

2. Michael Baker, Jonathan Gruber, and Kevin Milligan, “Non-cognitive Deficits and Young Adult Outcomes: The Long-Run Impacts of a Universal Child Care Program,” Working Paper, National Bureau of Economic Research, September 2015, <https://doi.org/10.3386/w21571>.

3. Michael J. Kottelenberg and Steven F. Lehrer, “New Evidence on the Impacts of Access to and Attending Universal Childcare in Canada,” Working Paper, National Bureau of Economic Research, February 2013, <https://doi.org/10.3386/w18785>; and Andrea Mrozek with Steven Lehrer, “Daycare Demands Diversity,” *Convivium*, March 20, 2018, <https://www.convivium.ca/articles/daycare-demands-diversity>.

4. Conor Williams, “When ‘Universal’ Child Care Isn’t Universally High-Quality,” *The Atlantic*, May 1, 2018, <https://www.theatlantic.com/family/archive/2018/05/quebec-child-care-family-leave/559310/>.

5. Pierre Fortin, “You Must Be Kidding: Confronting Key Myths About Quebec’s Childcare System,” Canadian Centre for Policy Alternatives, *Behind the Numbers*, April 25, 2017, <http://behindthenumbers.ca/2017/04/25/must-kidding-confronting-key-myths-quebecs-childcare-system/>.

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**“Part of the challenge is that the term “quality” is not clearly or consistently defined in child-care literature, and the measurement of quality is biased toward institutional, state settings.”**

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As one proponent put it, “Now that the early childhood care and education system is firmly established in Québec, and its existence is not in all likelihood threatened, . . . it is time to examine all the other issues that will contribute to improving the system.”<sup>6</sup>

Low-quality and mediocre care continue to plague this model despite its two decades of existence. Would we expect a national system to be better? If so, how?

Part of the challenge is that the term “quality” is not clearly or consistently defined in child-care literature, and the measurement of quality is biased toward institutional, state settings. If a parent arranges child care between parents and extended family and adds in a babysitter three times a week, the quality of this care may be exemplary, but it cannot easily be measured. The authors of a recent memorandum pushing for Canada to adopt the Quebec model on a national scale concede this point: “We have, at this time, no understanding of the full ecosystem of care, particularly arrangements in unregulated care (how much is paid, how much unpaid, what kind of care, in what kind of physical setting, is offered). . . . This is a major shortfall in necessary information with which to guide the evolution of policy-making and funding, through the period of pandemic ‘recovery’ and for years after.”<sup>7</sup> This is a significant shortfall, indeed. Before spending tens of billions of dollars, the federal government must study the evidence on the current quality of *all* care versus the current quality of care in the Quebec model that it seeks to emulate.

One study that has attempted to evaluate the quality of all existing care is the NICHD Study of Early Child Care and Youth Development, a major, comprehensive, and collaborative effort by a team of researchers who tracked one thousand children across ten communities until age fifteen in the United States.<sup>8</sup> It is the gold standard for examining quality of child care. The results of this study are complex. One of the researchers summarizes the risks and benefits:

The risks are (a) that more hours in (any kind of) child care across the first 4 1/2 years of life are related to more problem behaviour from 54 months through first grade and less social competence and poorer academic work habits in third grade; and, independently, (b) that more time in child-care centers is related to higher levels of problem behaviour from 54 months through third grade. The benefit is that higher quality child care and more experience in centers predicts better cognitive, linguistic and academic-achievement functioning across the same lengthy developmental period. Critically, these effects of child care obtain when other aspects of child care are themselves taken into account (i.e., statistically controlled). Clearly, it is simplistic to speak in terms of child-care effects in general, as different features of child care appear to differentially impact different aspects of development.<sup>9</sup>

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6. J. Tougas, “Reforming Québec’s Early Childhood Care and Education: The First Five Years,” Occasional Paper no. 17, Childcare Resource & Research Unit, Centre for Urban & Community Studies, University of Toronto, 2002, 73.

7. Armine Yalnizyan and Kerry McCuaig, “Investing in Early Learning and Child Care,” Atkinson Foundation, September 16, 2020, <https://atkinsonfoundation.ca/atkinson-fellows/posts/investing-in-early-learning-and-child-care/>.

8. National Institute of Child Health and Human Development, “NICHD Study of Early Child Care and Youth Development (SECCYD) Historical/For Reference Only,” <https://www.nichd.nih.gov/research/supported/seccyd>.

9. J. Belsky, “Effects of Child Care on Child Development in the USA,” in *The Quality of Early Childhood Education*, ed. J.J. van Kuyk (Anaheim, Netherlands: Cito, 2006).



Of note are the findings pertaining to *quantity* of care being as important as *quality* of care. This interaction between quantity and quality of care is a conversation Canadians are not having. It is already known that introducing a provincial system in Quebec has increased the number of hours in care,<sup>10</sup> which may mean fewer positive outcomes regardless of quality of care. The main point, however, is that an in-depth study, testing outcomes of various forms of child care over the long term, has not yet been done in Canada.<sup>11</sup>

That the Quebec model needs to improve quality is something that advocates of this system agree on and discuss at conferences.<sup>12</sup> Why is Quebec not able to offer high quality to all children? How much more money is required to finally achieve high quality, and is this the system parents want and need? What would be required to achieve quality on a national scale? Do we even have a coherent, agreed-on standard of quality? Do we risk placing the interests of the state (that is, GDP enhancement and increased tax revenues) ahead of the interests of families and children?

## THE TAKEAWAY

**A national approach to child care cannot be based on a model that has been struggling to offer quality care for over twenty years. Peer-reviewed research should be our guide in better understanding the experiences of Quebec children, and further research ought to be done nationally to better understand the existing ecosystem of care.**

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10. Catherine Haeck, Pierre Lefebvre, and Philip Merrigan, “Canadian Evidence on Ten Years of Universal Preschool Policies: The Good and the Bad,” *Labour Economics* 36 (October 1, 2015): 137–57, <https://doi.org/10.1016/j.labeco.2015.05.002>.

11. Further information about the long-term effects of child care up to age fifteen can be read in Jay Belsky et al., “Good News and Bad News About Day Care,” in *The Origins of You: How Childhood Shapes Later Life* (Cambridge, MA: Harvard University Press, 2020), 153–78.

12. One such conference (The Early Learning and Child Care Data and Research Conference) was held in Ottawa in February 2019, hosted by Employment and Social Development Canada.

## QUESTION 2: DOES THE QUEBEC MODEL HELP PARENTS?

Research shows that parents in Quebec, Canada's only province with a "universal" system, have poorer health, poorer (parental) relationships, and "less consistent parenting."

The Quebec model incorporates state-run centres and home-based child care funded by the government, along with subsidies for parents using private care, resulting in similar user costs for parents. Researchers Baker, Gruber, and Milligan found that "the new (Quebec) childcare program led to more hostile, less consistent parenting, worse parental health, and lower-quality parental relationships."<sup>1</sup> Subsequent research showed changes in parenting behaviours, to the detriment of children, particularly girls. Lehrer and Kottelenberg write, "In general, families with girls increasingly experience worse home environments. . . . Following the introduction of subsidized child care, on average, girls face significantly lower levels of parent consistency and lower levels of positive interactions with their parents relative to boys."<sup>2</sup>

### THE TAKEAWAY

**Child care is the care of a child, no matter who does it, and acknowledging this important definition puts parents in the driver's seat of their children's care. Given the primary role that parents play in caring for their child(ren), favouring a system that correlates with poorer parenting and parental relationships is counterproductive. Should the federal government follow the Quebec model, when peer-reviewed research shows it correlates with negative outcomes for parents?**

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1. Michael Baker, Jonathan Gruber, and Kevin Milligan, "Universal Child Care, Maternal Labor Supply, and Family Well-Being," *Journal of Political Economy* 116, no. 4 (August 2008): 709–45.

2. Michael J. Kottelenberg and Steven F. Lehrer, "Does Quebec's Subsidized Child Care Policy Give Boys and Girls an Equal Start?," Working Paper, Working Paper Series, National Bureau of Economic Research, March 2017, <https://doi.org/10.3386/w23259>.

### QUESTION 3: SHOULD THE FEDERAL GOVERNMENT INTRODUCE A NEW CHILD-CARE MODEL IN RESPONSE TO THE PANDEMIC?

Canadian federalism empowers the provinces to make decisions that work best in their context. Munk School of Global Affairs and Public Policy professor Sean Speer writes, “Government policy should seek to leverage the federalist tradition. This means more local experimentation, less central planning, and empowering provincial and local governments to advance provincial and local interests in their respective constitutional spheres without federal meddling or pressure to conform.”<sup>1</sup>

Care of our very youngest occurs in the local context, and federal involvement should focus on providing support to enable local communities—starting with parents. Caring for children does take a village, but as the signatories of the report “A Positive Vision for Child Care Policy Across Canada” wrote, the village must be one in which “parents and their children are surrounded by others with whom they feel a real personal connection and in whom they have deep trust. Equating the village with government is neither logical nor reasonable, but this very often is precisely what is done.”<sup>2</sup> The creation of national daycare, spearheaded by the federal government, may be an attempt to create local “villages” for parents, but this is an unreasonable goal. By design, federal policy is removed from the culture and communities that parents are part of.

What a federal “universal” approach to child care would effectively do is diminish the diversity of various communities in child care. A recent report advocates for using the recent pandemic as a reason to “buy change” in the current child-care landscape.<sup>3</sup> The authors recommend swapping the existing ecosystem of care for a federal, nationalized version, which they claim will be more accessible and higher quality. This claim, in a country of Canada’s geographic size and ethnic diversity, is unlikely to be realized. If a local issue is taken up by the level of government furthest from it, the likely result will be a misunderstanding of the community’s needs and increased inefficiency, among other drawbacks.

### THE TAKEAWAY

**Maintaining choice and diversity in child care means allowing local actors independence. Federal jurisdiction over child care is limited. The federal government should therefore remain as flexible as possible in its funding agreements with the provinces, allowing local latitude to decide what works best. To better help families, the federal government should consider child care as the care of a child, no matter who does it. Federal funding for families ensures that the government does not discriminate against any form of child care, including parents and relatives doing child care. Child care is more than spaces in licensed daycare centres.**

1. Sean Speer, “Federalism Is a Source of Strength for Canada,” *Huffington Post Canada*, September 30, 2016, [https://www.huffingtonpost.ca/sean-speer/federalism-canada-strength\\_b\\_12240822.html](https://www.huffingtonpost.ca/sean-speer/federalism-canada-strength_b_12240822.html).

2. Cardus, “A Positive Vision for Child Care Policy Across Canada,” January 21, 2019, <https://www.cardus.ca/research/family/reports/positive-vision-for-child-care-policy-across-canada/>.

3. Armine Yalnizyan and Kerry McCuaig, “Investing in Early Learning and Child Care,” Atkinson Foundation, September 16, 2020, <https://atkinsonfoundation.ca/atkinson-fellows/posts/investing-in-early-learning-and-child-care/>.

## QUESTION 4: CAN WE HAVE BOTH CASH BENEFITS FOR FAMILIES AND A NATIONAL DAYCARE SYSTEM?

Maybe. Finland serves as an example of a country in which benefits include a home-care allowance and spaces in child-care centres. Parents of young children can choose between these two options.<sup>1</sup> This has not been the case with the “universal” care model in Quebec that the federal government is now seeking to emulate. Three-quarters of Quebec families received *fewer* financial benefits just one year after the 1997 implementation of the daycare system.<sup>2</sup> In 2002, only about 23 percent of families were using the spaces in the new “universal” system.<sup>3</sup> What this means is that most families lost benefits because the government favoured a system they were not using.

A study by researchers Robert Baril, Pierre Lefebvre, and Philip Merrigan during the early years of the program concluded the following:

Compared with the pre-reform situation, 72 percent of families would receive less financial assistance from the provincial government in 1998—findings in sharp contrast with the claim advanced by the Quebec Minister Responsible for Family Affairs that 95 percent of families would gain from these reforms. The families that gain from the reforms are those in the \$10,000 to \$25,000 income category. Families with middle or higher incomes are expected to pay for it. Large families and families with young children lose most under the new policy. Finally, families benefiting from social assistance neither gain nor lose, with the result that many children still grow up in poverty. Considering the Quebec government’s commitment to young children, these results are rather surprising.<sup>4</sup>

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**“When fiscal realities preclude billion-dollar entitlements for both spaces and families, then cash for families is a fairer and more efficient use of public funds.”**

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1. Cardus, “A Positive Vision for Child Care Policy Across Canada,” January 21, 2019, <https://www.cardus.ca/research/family/reports/positive-vision-for-child-care-policy-across-canada/>.

2. Robert Baril, Pierre Lefebvre, and Philip Merrigan, “Quebec Family Policy: Impact and Options,” *IRPP*, January 2000, <https://irpp.org/research-studies/quebec-family-policy-impact-and-options/>.

3. J. Tougas, “Reforming Québec’s Early Childhood Care and Education: The First Five Years,” Occasional Paper, no. 17, Childcare Resource & Research Unit, Centre for Urban & Community Studies, University of Toronto, 2002, 74. This document states that about half of Quebec children were in care on a regular basis, and only about 22.5 percent of those were in the state-funded system. The rest were cared for at home, or in an “informal, family child care setting.”

4. Baril, Lefebvre, and Merrigan, “Quebec Family Policy: Impact and Options.”



Other studies show a similar result. “Fiscal simulations which compare the new regime with the previous system of tax deductions show that only the very poor and the very wealthy have gained from this reform. For households whose income is in between these two groups, there was a net financial loss. . . . 84% of parents in the wealthiest quartile of the population use childcare services while working, compared to just 51% in the bottom quartile.”<sup>5</sup>

## THE TAKEAWAY

**When fiscal realities preclude billion-dollar entitlements for both spaces and families, then cash for families is a fairer and more efficient use of public funds. Governments seeking to help parents with the early years will find that a more efficient use of funding goes to parents directly. If spaces must be funded, then follow the Finnish model. Finland offers financial support for parents directly, should they choose it, alongside government subsidies for child-care spaces. It is also worth noting that Finland has the best education outcomes in the world.<sup>6</sup> This is in sharp contrast to Sweden, which offers only institutional daycare following parental leave. Funding exclusively child-care spaces is the most expensive, least efficient, and least equitable way to fund child care.**

5. C. Laffèrière, “Les Garderies à cinq dollars sont-elles une aubaine?,” Working Paper, Université du Québec à Montréal, 2003; and Catherine Haeck, Pierre Lefebvre, and Philip Merrigan, “Canadian Evidence on Ten Years of Universal Preschool Policies: The Good and the Bad,” *Labour Economics* 36 (October 1, 2015): 11, via Vincent Geloso, “Fact Check: NDP Lowballs Daycare Plan Costs,” Canadian Taxpayers Federation, October 2015, <https://www.taxpayer.com/media/DaycareEN.pdf>.

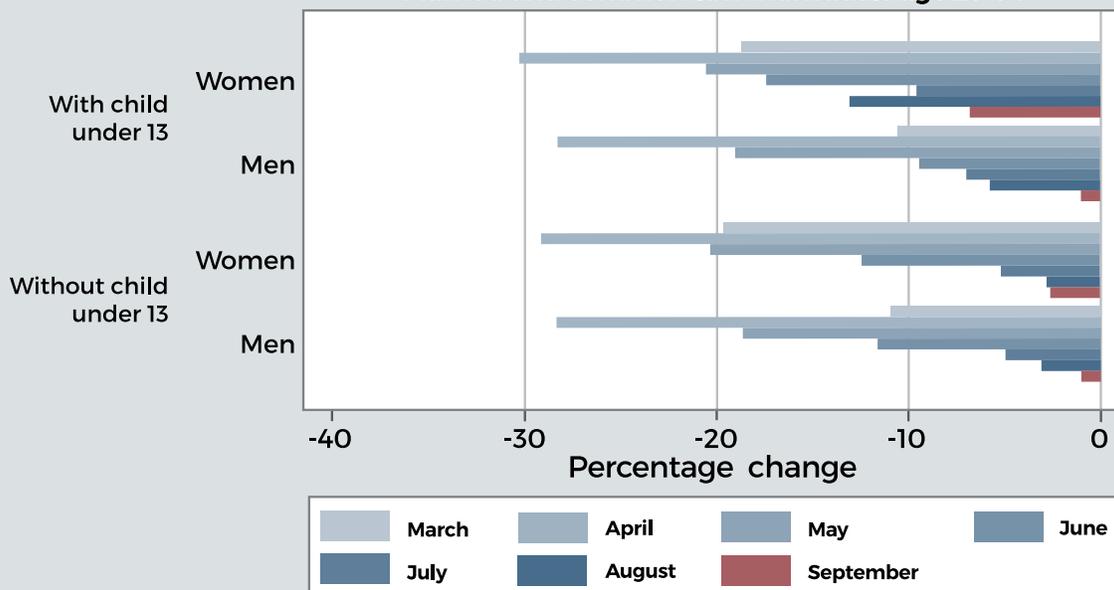
6. Cardus, “A Positive Vision for Child Care Policy Across Canada.”

## QUESTION 5: WILL A “UNIVERSAL” EARLY-LEARNING AND CHILD-CARE SYSTEM GET MOTHERS BACK TO WAGED WORK AFTER THE PANDEMIC?

Mothers cannot return to waged work that is not there. A “universal” daycare program does not alter the realities of an economic downturn. Still, data show that mothers’ hours worked in the paid labour force is not recovering as quickly as either men’s or women’s who don’t have children.

### COVID-19 impact on aggregate hours worked

Married and common-law individuals age 25-54



Hours are actual weekly hours on all jobs. Values are different relative to February 2020 minus equivalent month-to-month change in 2018.

Source: Labour Force Survey (PUMFs). Chartist by @mikaiskuterud.

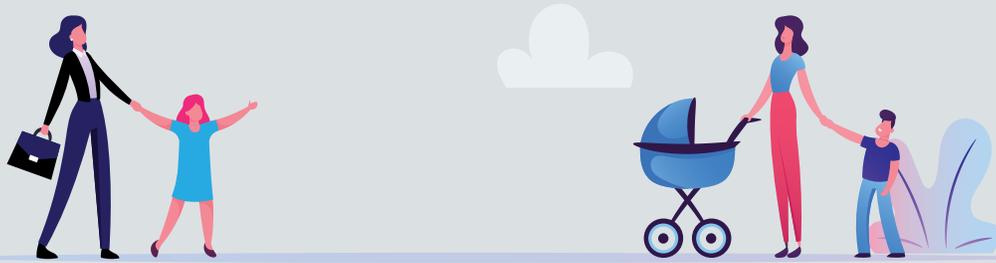
Does this disparity indicate a lack of available care, or are there other factors contributing to how families organize paid and unpaid work?

At the same time as students were able to return to schools in September 2020, 93 percent of daycares in Ontario were opened.<sup>1</sup> Daycare centres in Peel Region in Ontario, for example, were at 97 percent of pre-pandemic capacity, yet only 20 percent of child-care spaces in Brampton, a municipality within Peel Region, were occupied.<sup>2</sup>

This points to something other than daycare availability as the issue. Families are weighing the health considerations of a return to institutional care, be it daycare or schools, and making decisions accordingly.

1. Government of Ontario, “Early Years and Child Care Annual Report 2020,” [http://www.edu.gov.on.ca/childcare/annual-report-2020.html#\\_bookmarkExpenditures](http://www.edu.gov.on.ca/childcare/annual-report-2020.html#_bookmarkExpenditures).

2. Nida Zafar, “Despite Its ‘Childcare Desert’ Label Brampton Daycares Are Only 20 Percent Full Because of the Pandemic,” *The Pointer*, October 4, 2020, <https://thepointer.com/article/2020-10-04/despite-its-childcare-desert-label-brampton-daycares-are-only-20-percent-full-because-of-the-pandemic>.



Philip Cross, senior fellow at the Macdonald Laurier Institute, argues, “What is keeping women from returning to work is the same lack of demand that is depressing employment for men. Without a better recovery of demand, improved daycare will make little difference. Without a job to return to, parents don’t need daycare for their children. There may very well be good reasons to try to improve daycare in Canada, but its being a ‘magic bullet’ to boost the recovery is not one of them.”<sup>3</sup> This is part of the story. In many cases, however, there is waged work outside the home available, but families are choosing to keep someone at home, and more often than not that someone is Mom. This is not a problem to be solved if this is a decision that families choose to make based on their own needs and preferences.

Another possible explanation involves the Canada Emergency Response Benefit (CERB). During the early stages of the pandemic, the CERB paid workers to stay home. If the CERB is more money than a mother’s hourly wage in the paid labour force, then she may make an informed decision that she prefers to be paid to be with her children rather than place them in child care with its increased risk of contracting the virus. The CERB may have acted as a kind of parental benefit, allowing parents to eschew waged work to do the work of caring for their children. If families are choosing to pull their children out of institutional settings, then the question is, Why would we create more institutional settings rather than provide income supports where needed?

No system is truly pandemic-proof, as has been demonstrated in the public school system, in which provinces and school boards are struggling to adapt. Yet with the help of emergency funding, child-care providers have largely returned to service despite the absence of a universal child-care system.

## THE TAKEAWAY

**There are already signs that the pandemic may shift the way families engage with paid and unpaid labour in the future. Decisions about paid work and parenting are rarely about money exclusively. Mothers and fathers exercise multiple vocations in their lives, concurrently and separately. Sometimes a mom is exclusively working in the home; sometimes she is also in the paid labour force. Every mother, however, is a working mother, and no good can come from a child-care policy that compels participation in the paid labour force for the sake of increasing the GDP. Rather than turning to a one-size-fits-all policy proposal from a bygone era, the federal government should look ahead and focus on providing provinces with flexible multilateral agreements while also seeking a cohesive, coherent, and flexible family policy for Canada as a whole. Giving money to families would mean supporting other child-care options in addition to centres, such as bringing care into the home—a more attractive child-care option for many who face health concerns.**

3. Philip Cross, “Philip Cross: The Myth of a ‘She-Cession,’” *Financial Post*, October 2, 2020, <https://financialpost.com/opinion/philip-cross-the-myth-of-a-she-cession>.

## QUESTION 6: DO THOSE WHO OPPOSE A NATIONAL DAYCARE SYSTEM ALSO OPPOSE WORKING MOTHERS?

Concerns about universal models stem less from an opposition to something than from a commitment to mothers choosing what works best for their family. Universal child care fails to meet the diverse needs of Canadian families. It is possible that some believe mothering to be a job all on its own, demanding full-time attention, but it is at least as likely, and perhaps more likely, that opposition to national daycare stems from a personal preference for more flexible, diverse forms of care that are more local and based in the home.<sup>1</sup> There are many reasons to engage in waged work on a full- or part-time basis, whether a parent or not. Many view a government push for highly subsidized child care as stemming less from a desire to enhance family choices and more to serving business or union interests.<sup>2</sup> Whatever the view, it is worth understanding the concerns of those opposed, rather than making assumptions about why these views are held.

Those against national daycare are sometimes mischaracterized as being against women's rights. This is ironic, given the drive to help families have more time together, with greater diversity of choices in care—values often associated with the progressive left. This may be why the coalition of those opposed to national daycare includes Canadians from a variety of backgrounds and political persuasions.

Other viable options to enhance mothers' choices include ensuring that mothers are not penalized when they return to the paid labour force after a longer period raising children. Policy here might include changing, lengthening, or making parental leave more flexible, or ensuring that occupational regulations don't place undue burdens on the mothers re-entering paid employment. Likewise, institutional settings such as universities, hospitals, and businesses should not penalize employees (mothers or fathers) for taking time off from their jobs to raise their children in the early years. Inherent in this type of discussion is the recognition that parenting is hard, valuable work, as is care work of any kind, paid or unpaid.

We have a tendency to honour paid caregivers and ignore those who are unpaid, particularly if they are family. A better question is to ask why those who favour nationalized models of child care appear to place the burden for economic recovery on the shoulders of mothers with young children.

### THE TAKEAWAY

**One reason why we don't have a national daycare system after fifty years of advocacy is that the majority of voters, including mothers, don't want it. Understanding the varied reasons why many reject national daycare will help engender myriad other imaginative policy solutions, allowing a more neutral approach to the various vocations that parents pursue.**

1. Rick August, "What Child Care Do Parents Really Want?," August 2015, <http://rickaugust.ca/what-child-care-do-parents-really-want/>.

2. Tasha Kheiriddin, "Liberals' 'National Childcare' Plan Serves Unions and Business Interests, Not Parents | National Post," *National Post*, December 1, 2020, <https://nationalpost.com/news/tasha-kheiriddin-liberals-national-childcare-plan-serves-unions-and-business-interests-not-parents>.

## QUESTION 7: DOES NOBEL PRIZE-WINNING ECONOMIST JAMES HECKMAN SUPPORT UNIVERSAL DAYCARE?

Heckman says clearly that he does not. Yet he is often misquoted on this point, likely because he speaks in favour of *targeted* investment in the early years. Everyone interested in child care believes that quality care and investment in the early years are important. Where people disagree is in the kind and type of investment needed.

Heckman clarified the point in a recent interview:

Interviewer: “Your work on early childhood education is constantly cited as a justification for universal preschool education. Is that a policy you have recommended or what is your main focus and potential solution when you promote the importance of early childhood education?”

Heckman: “I have never supported universal pre-school. The benefits of public preschool programs are the greatest for the most disadvantaged children. More advantaged children generally have encouraging early family lives. The ‘intervention’ that a loving, resourceful family gives to its children has huge benefits that, unfortunately, have never been measured well. Public preschool programs can potentially compensate for the home environments of disadvantaged children. No public preschool program can provide the environments and the parental love and care of a functioning family and the lifetime benefits that ensue.”<sup>1</sup>

Heckman believes that families matter and that targeted interventions can help some families. He states, “Families are the primary producers of skills, and policy makers should institute policies aiming to support families in engaging and nurturing their children.”<sup>2</sup>

### THE TAKEAWAY

**Professor Heckman’s work supports targeted interventions, not universal ones. Research shows there should be broad skepticism about the ability of universal programs to deliver high quality in the same manner as a small-scale, targeted intervention.**

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1. James J. Heckman, interviewed by Gonzalo Schwartz, “Nobel-Prize Winning Economist Dr. James Heckman on Social Mobility, the American Dream, and how COVID-19 Could Affect Inequality,” *Archbridge Institute* (blog), April 23, 2020, <https://www.archbridgeinstitute.org/2020/04/23/nobel-prize-winning-economist-dr-james-heckman-on-social-mobility-the-american-dream-and-how-covid-19-could-affect-inequality/>.

2. Heckman, “Nobel-Prize Winning Economist.”

## QUESTION 8: DO WE HAVE A CREDIBLE COST ESTIMATE FOR A NATIONAL, HIGH-QUALITY UNIVERSAL DAYCARE SYSTEM?

Morna Ballantyne, executive director of Child Care Now, was recently quoted as saying, “Nobody knows [the cost] right now to have affordable, high-quality, accessible child care in Canada . . . because there’s so many variables in making that calculation. What we do know is that we need a lot more public money. We need at least \$10 billion, possibly more, on an annual basis.”<sup>1</sup>

An estimate from 1986 put the cost of a national daycare system at \$11.3 billion,<sup>2</sup> a number that was higher thirty years ago than what some say is needed today. Accounting for inflation, \$11.3 billion would be roughly \$28 billion today.

Few other advocates of the pan-Canadian implementation of the Quebec model have provided a concrete cost estimate for this option, but they claim that the system will more than pay for itself.

A recent report titled “Investing in Early Learning and Child Care: A Framework for Federal Financing” does not provide an estimated cost for the proposed national system but calls for Canada to reach average OECD spending, at about \$20 billion annually.<sup>3</sup>

The cost of Quebec’s system has skyrocketed. Between 1997 and 2010, the cost rose 562 percent, with spaces increasing only 156 percent.<sup>4</sup> Just one-third of Quebec children in child care can access the spaces deemed to be higher quality.<sup>5</sup>

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**“An estimate from 1986 put the cost of a national daycare system at \$11.3 billion, a number that was higher thirty years ago than what some say is needed today.”**

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1. Lee Harding, “The Compelling Case Against Universal Child Care,” Troy Media, October 21, 2020, <https://troymedia.com/politicslaw/the-compelling-case-against-universal-child-care/>.

2. Martha Friendly, “It Was Twenty Years Ago Today . . . March 8, 1986,” Childcare Resource and Research Unit, March 3, 2006.

3. Armine Yalnizyan and Kerry McCuaig, “Investing in Early Learning and Child Care,” Atkinson Foundation, September 16, 2020, <https://atkinsonfoundation.ca/atkinson-fellows/posts/investing-in-early-learning-and-child-care/>.

4. Vincent Geloso, “Childcare Services in Quebec: Spending Explosion,” Vincent Geloso (blog), December 1, 2011, <https://vincentgeloso.com/2011/12/01/childcare-services-in-quebec-spending-explosion/>.

5. CCPA and Pierre Fortin, “You Must Be Kidding: Confronting Key Myths about Quebec’s Childcare System,” Behind the Numbers (blog), April 25, 2017, <https://behindthenumbers.ca/2017/04/25/must-kidding-confronting-key-myths-quebecs-childcare-system/>



Quebec’s spending per child-care space is estimated at \$12,400 in operational costs.<sup>6</sup> This does not include capital costs, training, the cost of additional members of a federal bureaucracy to administer the program, or a pension fund. True universality—the provision of a space for every child across the geographic diversity of Canada—would be extremely costly and complex to administer.

One non-peer-reviewed paper argues that Quebec’s system more than pays for itself through the increase in taxes that working mothers pay.<sup>7</sup> Another non-peer-reviewed paper claims that a national system will immediately create \$10 billion in additional GDP, with an eventual increase in annual GDP “of between \$63 billion and \$107 billion.”<sup>8</sup> The assumptions and data behind these claims need to be rigorously tested.

Spending on child care in Quebec has grown without a commensurate increase in spaces or quality. As of October 2020, Canada is ranked first in deficit spending among developed countries.<sup>9</sup> These two facts should be enough to press pause on expansion of the Quebec model into the rest of Canada.

## THE TAKEAWAY

**The Quebec model has not achieved universality or high quality, yet its cost has increased dramatically. The federal government should consider tax reductions, tax credits, and funding for families as better ways to help families than funding spaces in a costly, inefficient system.**

6. Yalnizyan and McCuaig, “Investing in Early Learning and Child Care.”

7. Laurie Monsebraaten, “Quebec’s Child-Care Scheme Pays for Itself, Economist.” Toronto Star, June 22, 2011, [https://www.thestar.com/life/parent/2011/06/22/quebecs\\_childcare\\_scheme\\_pays\\_for\\_itself\\_economist.html](https://www.thestar.com/life/parent/2011/06/22/quebecs_childcare_scheme_pays_for_itself_economist.html).

8. Jim Stanford, “The Role of Early Learning and Child Care in Rebuilding Canada’s Economy after COVID-19,” The Centre for Future Work, November 25, 2020.

9. Jack M. Mintz, “In Government Spending and Deficits, We’re Now No. 1 in the World,” Financial Post, October 22, 2020, <https://financialpost.com/opinion/jack-m-mintz-in-government-spending-and-deficits-were-now-no-1-in-the-world>.

## QUESTION 9: WOULD SPENDING 1 PERCENT OF GDP ON CHILD CARE, IN KEEPING WITH OECD STANDARDS, ACHIEVE A NATIONAL, HIGH-QUALITY DAYCARE SYSTEM?

The OECD’s “1 percent of GDP” is an arbitrary figure that does not correlate with the quality of care provided in Canada or any other country. It is simply an average of what is in fact being spent in nations as diverse as Portugal, Sweden, and Luxembourg. OECD nations vary in culture, geographic size, and population size, among other factors. Each nation’s family policy also varies in the larger picture, which may include parental leave, family spending, tax rates, and funding for preschool and kindergarten.

Canada is not included in OECD estimates due to the difficulty of measuring provincial and municipal spending in our federalist system. For the same reason, the OECD also notes that it cannot measure money that is included in block grants to the provinces for children.<sup>1</sup>

Spending about 1 percent of GDP in Canada in 2019 would peg national daycare spending at about \$19 billion annually. But current, realistic estimates of the cost of a national, universal, and high-quality system have not been done. One federal estimate made as part of a taskforce in 1986 put the cost at \$11.3 billion annually.<sup>2</sup> In today’s dollars, this would be roughly \$28 billion.

Should Canada follow the Quebec model, we will find ourselves in a situation in which, just as in Quebec, the funding is never adequate to provide a high-quality space for each child. Economist Vincent Gelo so estimates that in Quebec between 1997 and 2010 the cost rose by 562 percent but spaces increased by only 156 percent.<sup>3</sup> Furthermore, in spite of high spending levels, quality in Quebec has been ranked as mediocre, according to several rigorous sources.<sup>4</sup>

### THE TAKEAWAY

**One percent of GDP does not represent real costs and does not correlate with quality outcomes. Furthermore, providing a universal, high-quality, low-user-cost system in Quebec has proved expensive and, as of yet, unattainable. Instead, Canada should embed child care within a more comprehensive family policy that respects families’ diverse care needs.**

1. Organisation for Economic Cooperation and Development, “Public Spending on Childcare and Early Education,” November 22, 2016, [https://www.oecd.org/els/soc/PF3\\_1\\_Public\\_spending\\_on\\_childcare\\_and\\_early\\_education.pdf](https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf).

2. Martha Friendly, “It Was Twenty Years Ago Today . . . March 8, 1986,” Childcare Resource and Research Unit, March 3, 2006.

3. Vincent Gelo so, “Childcare Services in Quebec: Spending Explosion,” *Vincent Gelo so* (blog), December 1, 2011, <https://vincentgelo so.com/2011/12/01/childcare-services-in-quebec-spending-explosion/>.

4. One look at the problems of universal care can be found here: Conor Williams, “When ‘Universal’ Child Care Isn’t Universally High-Quality,” *The Atlantic*, May 1, 2018, <https://www.theatlantic.com/family/archive/2018/05/quebec-child-care-family-leave/559310/>.

## QUESTION 10: IS THERE A SHORTAGE OF CHILD CARE IN CANADA?

Before the pandemic began in March 2020, just 3 percent of parents cited a shortage of spaces as a reason for not using child care, and two-thirds of parents reported “no difficulty” finding a child-care arrangement, according to Statistics Canada.<sup>1</sup>

Thus, prior to the pandemic, most parents are able to find what they are looking for. Why, then, do we hear so much about shortages?

One reason is that advocates for a universal system count only one type of child care: licensed, centre-based spaces. If a parent uses a home-based daycare in the neighbourhood, a relative provides the care, or if the parent coordinates child-care “shifts” with their partner, then advocates for national daycare don’t count it. When advocates speak of child-care “deserts,” they are excluding the other forms of child care that exist outside of spaces in licensed centres.<sup>2</sup> It is a bit like saying that Canada has an extreme shortage of vegetation because you count only cactuses. Second, advocates for a universal system desire a space for *every child* under a particular age, usually the age of twelve. Given the diversity of child care that parents use and prefer,<sup>3</sup> this number of spaces is unnecessary, and counting only licensed centres is a poor metric for attempting to identify shortages.

Both pre-pandemic and current research indicates that there are centre-based child-care spaces sitting empty. For example, in Toronto, “there was a 45 percent increase in the average number of vacant spaces between 2009 and 2016.”<sup>4</sup> In British Columbia, “the average day-care vacancy rate including licensed centre-based care and family care, and across all child ages from infant through to school age, is 30.9 percent.”<sup>5</sup> After the initial quarantine period, Ontario schools opened in September 2020, and 93 percent of daycares in Ontario were open.<sup>6</sup> Peel Region, for example, was at 97 percent of pre-pandemic operation levels, yet only 20 percent of child-care spaces in Brampton, a municipality

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1. Statistics Canada, “Survey on Early Learning and Child Care Arrangements, 2019,” *The Daily* no. 11, April 10, 2019.
  2. “Both coverage rates and child care desert calculations only include licensed spaces at all points in this report.” “Child Care Deserts in Canada,” Canadian Centre for Policy Alternatives, <https://www.policyalternatives.ca/publications/reports/child-care-deserts-canada>.
  3. Rick August, “What Child Care Do Parents Really Want?,” August 2015, <http://rickaugust.ca/what-child-care-do-parents-really-want/>.
  4. Andrea Mrozek, “Toronto’s Increasing Daycare Surplus,” *Cardus*, April 25, 2017, <https://www.cardus.ca/research/family/articles/torontos-increasing-daycare-surplus/>.
  5. Andrea Mrozek and Helen Ward, “Daycare Vacancy Rates in British Columbia: The Untold Story,” *Cardus*, December 4, 2017, <https://www.cardus.ca/research/family/articles/daycare-vacancy-rates-in-british-columbia-the-untold-story/>.
  6. Ontario Ministry of Education, “Early Years and Child Care Annual Report 2020,” <http://www.edu.gov.on.ca/childcare/annual-report-2020.html>.



within this region, were occupied.<sup>7</sup> Alberta has reported that 94 percent of daycares were operating, with an enrollment rate of about 50 percent.<sup>8</sup>

None of this is to say that finding child care is always easy. It can be stressful, particularly in certain jurisdictions. And just as there are surplus spaces in some places, there can be shortages in others. The question is whether a universal system would be the best solution.

## THE TAKEAWAY

**Child care is never limited to only spaces in licensed day-care centres. Rather, child care is the care of a child, no matter who provides it. Provincial and territorial legislation and safety and licensing standards must enhance the mix of child-care options in a community and make it plausible and profitable for small, local providers to adhere to regulation. Funding to families, to put toward the form of child care that is best for them and for their child, will ensure that the government does not discriminate against parents and relatives providing child care.**

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7. Nida Zafar, “Despite Its ‘Childcare Desert’ Label Brampton Daycares Are Only 20 Percent Full Because of the Pandemic,” *The Pointer*, October 4, 2020, <https://thepointer.com/article/2020-10-04/despite-its-childcare-desert-label-brampton-daycares-are-only-20-percent-full-because-of-the-pandemic>.

8. New legislation supports safe, accessible and high-quality child care. Nouvelle législation pour appuyer des services de garde d’enfants sûrs, accessibles et de qualité [media release] <https://www.alberta.ca/release.cfm?xID=7457168AB88B4-0919-B336-0FDF971B388E12CA>.