



**Child Care Advocacy
Association of Canada**

**L'Association canadienne
pour la promotion des services de garde à l'enfance**



FOR IMMEDIATE RELEASE

Wednesday, September 30, 2009

Fixing Canada's economy could be child's play – if Conservative government listens

(OTTAWA) — To help fix Canada's economy the Harper government should look closely at a new Canadian study that confirms investing in child care programs provides one of the largest—if not the largest—economic boosts of any sector, says the Child Care Advocacy Association of Canada (CCAAC).

“Figuring out the best investment for tax dollars to stimulate the economy should be child's play for the government if it reads this important report,” said CCAAC Chair Jody Dallaire. “As an economist, Prime Minister Harper should quickly realize that funding child care programs is not just the *right* thing to do for parents and children, but also the *smart* thing to do for Canada.”

Citing findings from a study on Canada's workforce shortages in child care by the Centre for Spatial Economics, Dallaire said an investment in the sector would practically pay for itself immediately while creating much needed jobs. The study included an analysis of the estimated economic and social impact of child care programs.

“While the government is promoting its \$1,350 tax credit for home renovations, this study found that every \$1 million invested in the child care sector creates about four times more jobs than putting it into the construction sector,” Dallaire said.

The study adds to a longstanding body of evidence that cannot be ignored: the public benefits of quality child care programs outweigh the public costs. Yet the Conservatives have dramatically reduced spending on early childhood education and care to about \$600 million a year, down from \$950 million in 2006.

“We urge Prime Minister Harper to read this report and see for himself that investing in early childhood education and care not only benefits children and families, but it also creates the maximum possible jobs while passing the most revenue to government – it doesn't get any better than this,” said Dallaire.

Among the study's key economic findings:

- **Child care grows the economy.** Every dollar invested in child care programs increases GDP (economic output) by \$2.30—one of the strongest levels of short-term economic stimulus of all sectors, and far ahead of construction and manufacturing.

- **Child care creates jobs.** Investing \$1 million in the child care sector generates almost 40 jobs—at least 40% higher than the next closest industry, and four times the jobs generated by investing \$1 million in construction activity.
- **Child care more than pays for itself.** Even in the short term, more than 90% of the cost of hiring child care workers goes back to governments as increased revenue, and the federal government gains the most. Over the long term, every dollar invested in quality child care programs returns \$2.54 in benefits to society.

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View the report from the study on workforce shortages, *Literature Review of Socioeconomic Effects and Net Benefits*, at: <http://www.ccsc-cssge.ca/uploads/WFS%20LitReview%20-%20Socio%20-%20FINAL.pdf>

The Child Care Advocacy Association of Canada (CCAAC) works for the right of all children to access a publicly funded, inclusive, quality, non-profit child care system. CCAAC is non-profit, membership-based and regionally representative.