

More affordable child care key to reducing poverty

There are **practical** and **real** steps that the Ontario Government can take to reduce poverty and to work towards our goal of universal, affordable, high quality child care in Ontario.

We recognize that poverty reduction is complex. A credible and real poverty reduction strategy must include practical solutions to improve access to housing, transportation and food. Poverty reduction must focus on improving each citizen's ability to work and get a good job to lift a family out of poverty. Many parents report that lack of available and affordable child care is their biggest barrier to getting a job.

You can't solve poverty reduction without practical steps to improve access to licensed child care.

Low income parents can't afford the high cost of quality licensed child care.

The cost of child care is more than the average family can afford to pay. The reason that child care is so expensive is that the system is based on parents paying 100% of the full cost. If parents can't afford the full cost, parents can apply for an income tested subsidy. However, Ontario does not have enough child care subsidies to meet the need.

Investing in additional child care subsidies means more low income parents will be able to work knowing their children have safe and enriching child care. As municipal and regional governments prioritize scarce resources, many groups of unlikely to get a subsidy such as students enrolled in advance degrees who are deemed job ready and the lowest priority for subsidy.

Poverty Reduction Strategy Recommendation: Increase the number of child care subsidies. Waiting lists for child care subsidies mean that tens of thousands of low income children do not have access to licensed child care.

Child care and Education, We Belong Together

The best decision that the Ontario government has implemented in the last few years was the transfer of early learning and child care programs to the Ministry of Education. As high quality, licensed providers, we provide developmentally appropriate, play-based education. We belong in the Ministry of Education and we are proud of this recognition.

Child care programs have always partnered with local schools in providing care to local children and families. Fully 50% of Ontario's child care centres, serving younger children, are physically located in schools. With full –day kindergarten, child care programs are responding to the request to provide the extended day portion in schools.

There has been a patchwork of funding arrangements with Ontario's school boards. Most child care centres have paid rent for sole-use space (ie: a dedicated child care centre in a school). Grants through Community Use of Schools programs have offset other costs.

However, many child care programs have been deemed not eligible for Community Use of School Funding. Even though schools boards are mandated to provide extended day programs, many are charging rent to child care programs who have been called upon to deliver those programs. As a mandated, legislated program, no child care centre should pay rent for the extended day programs.

In addition, costs for before and after school programs as well as dedicated space for child care are rising fast. With parents paying 100% of the full cost of child care, child care fees are going up to pay rising rental costs to school boards. The rising costs of child care mean more families can't afford the full cost and means that existing subsidy dollars are eaten up by rental charges.

We recognize that there are additional costs to keeping our schools open past the traditional time of 3:30. It's good public policy that we are using our school space for programs for children.

Poverty Reduction Strategy Recommendation: Ontario Government must commit to working with school boards to ensure adequate funding to boards to cover the additional hours of use of the school and ensure that there are no fees for “rent” for extended day programs for four and five year olds, before and after school programs for older children and child care programs for children from infants to 12 years old that run year-round. Rental fees for space add anywhere from \$200 to \$1000 for each child. One school board is tripling the fees over the next three years. More affordable child care helps all parents,

Child care is an integral part of our schools.

Parents should not pay twice for use of school space – first through taxes, second through child care fees. Child Care is now part of the education system and should be the first partner welcomed to share the resources available in school spaces. Many school boards already appreciate the value child care brings to their schools and the province needs to build on this.

Child Care and the Economy

Child care is vital for children, families and our economy. Expanding access to not-for-profit child care means more jobs for qualified early childhood educators and other staff. We must ensure that child care has adequate funding for stable, high quality programs, building our communities and our economy stronger.

Investments in early learning and child care programs pay for themselves through increased taxes, economic activity and future savings for social programs.

After 15 years of affordable child care in Quebec, the results are in:

- The program serves over **70%** of children in the province at a cost of \$2.1 billion.
- Approximately **70,000** more mothers working in the paid labour force
- Reduced child poverty by **50%** over the past 10 years
- Increased school test scores (from the lowest to the highest in the country)
- Increased the percentage of women in post-secondary education to the highest in Canada
- Big economic benefits with more women in the labour force and more provincial income revenue

(tax revenues from working mothers cover 40% of the program cost)

- Federal and provincial governments benefit (the program adds almost 2% to the provincial GDP, and benefits the federal government through income taxes)

Manitoba has followed the lead of Quebec and child care costs no more than \$20 a day. Both provinces have steadily increased funding to child care to create more child care spaces and lower the cost to parents.

Investments in child care pay for themselves

For almost 15 years, Quebec has had a universal, affordable, child care system where parent pay \$7/day for quality child care.

In two years, 70,000 women joined the workforce, child poverty rates declined by 50%.

For every dollar invested in child care, the Quebec government receives \$1.05 in payroll and consumption taxes and the Federal government gets \$0.44 in payroll taxes.

Long term economic benefits add to the value of investing in child care, but even in the short term, government investments are repaid.