



Ontario Coalition for Better Child Care: Pre-budget brief

BUILDING A QUALITY CHILD CARE SYSTEM
ALL FAMILIES CAN AFFORD AND TRUST

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WHO WE ARE

The Ontario Coalition for Better Child Care is Ontario's central advocacy group for a universal, affordable, high quality system of early childhood education and care. Formed in 1981, the OCBC is a member organization comprising non-profit child care centres, local and provincial groups and individuals from all across Ontario. Our members are early childhood educators and parents, centre directors, trade unionists and social activists. Most importantly people who care about child care.

WHY INVEST IN CHILD CARE?

There is long-standing evidence for funding a child care system because of its benefits to child development and wellbeing, poverty reduction, work-family balance, social solidarity and gender equality.¹ These important reasons have been joined by a strong economic rationale for investing in a universal child care system.

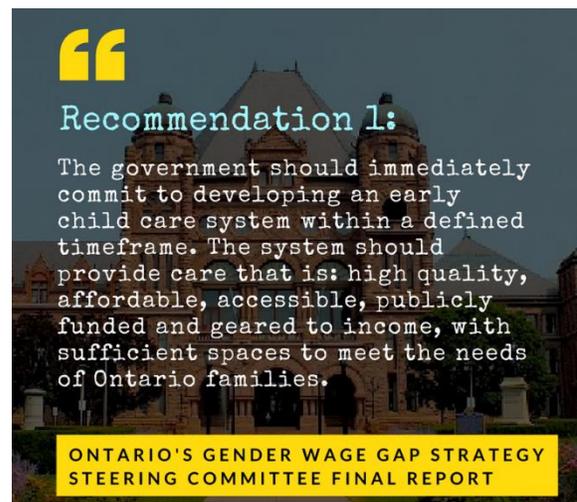
THE ECONOMIC RATIONALE

Funding child care makes economic sense. Child care is a key part of Ontario's social infrastructure, supporting the parent workforce. Studies show that child care creates ripple effects in local economies. Research in Manitoba found that every \$1 of child care funding generated \$1.58 worth of local economic activity.² Meanwhile research on Quebec's affordable child care program by economist Pierre Fortin concluded that the Quebec program contributes more in increased government revenues than the program costs, providing an estimated annual net gain of over \$200 million to the provincial government.³

CLOSING THE GENDER WAGE GAP

In 2016 Ontario's Gender Wage Gap Strategy Steering Committee traveled around Ontario holding public town hall meetings about how to close the province's 30% gender wage gap. At these consultations the Committee found that child care was the number one issue raised by Ontarians – both from the perspective of mothers and the early childhood workforce.

In their consultation summary, the Committee noted: "Child care was the number one issue everywhere. Clear statements were made about the need for a public system of early childhood education and care



¹ For a full sense of the benefits of child care from multiple perspectives, see Ontario Coalition for Better Child Care (2015). *Child care matters to everyone: A snapshot of child care in Ontario*. Available online at: www.childcareontario.org

² Prentice, S. (2008). Rural childcare in Manitoba: New economic evidence. Available online at: www.childcarecanada.org

³ Fortin, P., Godbout, L. & St-Cerny, S. (2012). Impact of Quebec's universal low-fee childcare program on female labour force participation, domestic income, and government budgets. University of Sherbrooke. Available online at: www.childcarecanada.org

that is universal, high quality and comprehensive. Participants called for public funding and support that provides for both adequate wages and affordable fees.”

In its final report, the Committee made child care its first and second recommendations for action, calling on the government to immediately build a system that is "high quality, affordable, accessible, publicly funded and geared to income, with sufficient spaces to meet the needs of Ontario families."

FROM MARKET TO SYSTEM: BUILDING ON ONTARIO'S CHILD CARE PROMISE

Ontario's 2016 Throne Speech promise to create 100,000 new child care spaces for children 0-4 years is a bold commitment that has the potential to transform Ontario's child care system, but only if we invest strongly and build wisely. We need to transform child care in Ontario from a market patchwork to a comprehensive system.

Adding spaces alone, even 100,000 new spaces, does not in itself achieve system transformation. It only replicates our current patchwork on a larger scale. To truly achieve a child care system that works for Ontario families, we need action to make child care *affordable* for all families and to make programs *sustainable* – not struggling to keep their doors open and pay their educators.

AFFORDABILITY

Ontario has the highest child care fees in the country, with long waiting lists for fee subsidies in many communities. This is a serious pocket book issue for parents.

A recent report on child care fees across Canada found that eight of the ten most expensive cities for child care are all here in Ontario: Toronto, Kitchener, Vaughan, Markham, Ottawa, Mississauga, London, and Brampton. Compare the \$990 per month Ottawa parents pay for a preschool space with the average fee of \$179 per month just across the river in Gatineau, Quebec.⁴



In October of 2016 a study for the City of Toronto – the Demand and Affordability study - revealed that child care fees were unaffordable for a full 75% of families. The report theorized that even if new spaces were created, they would not be used – there would be left vacant - unless these spaces were made affordable. In short, there is no demand for more unaffordable child care spaces. But if spaces are made affordable for families, there is a huge surge in demand.⁵

⁴ Macdonald, D & Friendly, M. (2016). *A growing concern: 2016 child care fees in Canadian cities*. Available online at: <https://www.policyalternatives.ca/growing-concern>

⁵ Cleveland, Krashinsky, Colley and Avery-Nunez (2016). *City of Toronto Licensed Child Care Demand and Affordability Study*. Available online at: www.toronto.ca

There is good evidence to suggest that Ontario's fee subsidy system is not the best way to address affordability. It's not only a broken mechanism, but an archaic approach – leaving too many families struggling to pay full fees or languishing on waiting lists. We need a fresh approach: an affordable, geared to income, sliding fee scale.

GROWTH AND SUSTAINABILITY

As Ontario works to meet its five year commitment of 100,000 new child care spaces, we need to see a public planning process to ensure that new spaces are where they are needed most, and that programs – both new and old – are well supported to provide high quality care for our families and decent work for educators.

Given the high need for child care, funding for capital expansion should be front-loaded so that spaces can be created immediately and begin to make a real difference to families. Together with a plan for affordability for parents, child care centres need base funding to provide quality programs without relying on high parent fees.

We know that there can be no provision of high quality child care without the early childhood workforce. This workforce continues to be undervalued and underpaid. Despite diplomas and degrees, nearly a quarter of Registered Early Childhood Educators make less than \$15 an hour. Ontario needs a workforce strategy that ensures educators across the province have decent work and professional pay.

We recognize that working toward the goal of transformational change in early childhood education and care will be a multi-year process. But there is much that can be done immediately in this budget year.

BUDGET ACTION ITEMS

- **Commit at least \$500 million in capital funding for Year 1 of the child care expansion to begin to make a real difference in availability of spaces;**
- **Provide \$300 million in new operating funding to keep pace with expansion of spaces, to support child care services directly and kick start a process of system transformation. The province should contribute an additional \$75 million to address immediate crises faced by existing programs;**
- **The province should commit to moving from the current broken fee subsidy system to an affordable sliding fee scale, and begin work immediately to design an affordable fee model that works for all Ontario families;**
- **Commit to a provincially established workforce strategy to ensure all staff have professional pay and decent work;**
- **All funding should be indexed to inflation;**
- **Commit funding and resources to support system infrastructure including data and research.**