



Just the Facts: Child Care

QUALITY CHILD CARE IS ESSENTIAL TO ENSURE EVERYONE BENEFITS FAIRLY FROM ECONOMIC GROWTH!

Access to Child Care

- It's not possible for all children to be cared for by their parents/family members
- By "child care" we mean care by "others", for pay, outside the child's home
 - By "quality" child care we mean care that is affordable, accessible, safe and enriching (this value is reflected in the trend to view child care/day care as part of early childhood education)
- Governments should be interested in supporting quality child care, because:
 - Quality child care is essential to ensure everyone benefits fairly from economic growth (children from poorer families benefit most)
 - Women's equality in society and within their own families is improved when household income is shared more evenly—which depends on better child care
 - In 1976, 31% of Canadian women with kids under 6 worked outside the home; by 2009 the figure was 67%
 - Helps immigrants (children & parents) to adapt economically and socially
 - Helps internal migrants—parents who have moved to communities where they have no extended-family support
 - As Canada's population ages, we will need more working adults, and more babies who grow into productive working adults, to help maintain our social programs
- Governments have recognized the economic and political benefits of "supporting" child care with money (programs, grants, subsidies, tax breaks) and regulations
- However, to ensure quality, "support" has to be the right mix of money and regulations, targeting both the supply side (providers) and the demand side (families)
- Pro-free market approach to government child care support (increasingly seen in English-speaking countries in last 15-20 years): government gives families funding (through subsidies or tax breaks), and expects free market do the rest. Australia has pursued this approach most aggressively - the result has been a growing amount of private, for-profit child care
 - By 2005 almost all daycares were owned by ABC Learning, which was plagued by controversies due to low wages, cutting corners on safety. In 2008 it went bankrupt when the global economy collapsed; was taken over by a group of non-profit charities
- Canada's federal government supports child care in two main ways
 - Child Care Expense Deduction (CCED): since 1971, child care expenses have been tax-deductible
 - Universal Child Care Benefit (UCCB): introduced by the Harper government in 2006. Families were given \$100/month for each child under 6, "to assist families by

supporting their child care choices.” However, the “child care” label is misleading: parents can spend the money however they wish

- In 2014 the federal government announced three measures to “help families prosper”:
 - Family Tax Cut (income splitting) – *discussed in Making Ends Meet presentation*
 - CCED: \$1000 increase in maximum deduction; \$8000 per child under 7 per year (up from \$7000); \$5000 per child 7-16 (up from \$4000)
 - UCCB increases:
 - To \$160 per month per child under 7 (from \$100); \$60 per month per child 7-17 (new): this changes means that thousands of families who were not receiving UCCB before will start getting payments in late July 2015
- 66% of the money the CCED and UCCB cost the federal government benefits families with kids under 13 who spent money on health care; these programs together cover only 42% of those families child care costs. As a result of the 2015 changes, the cost of the CCED + UCCB to the federal treasury will more than double, and 51% of the benefits will go to families with **no actual child care expenses**.
- The policy is, in effect, a “prize” for wealthy families with a stay-at-home parent, not an effective way to increase the quantity or quality of child care spaces in Canada.

What is Saskatchewan doing about child care?

- Basically, there are three kinds of child care facilities under Saskatchewan law & practice
 1. “Unlicensed”: allowed, but must be operated by someone in their home and have no more than 8 kids total; max 5 kids if under 2 ½; max 3 kids if under 1 ½
 2. Licensed family child care homes must be owned & operated by an individual in their home; maximum 12 kids; facility & policies must meet standards; there are currently about 227 homes
 3. Licensed child care centres can be owned & operated by an individual, municipality, partnership, cooperative, non-profit, or for-profit company; regulations are more detailed and strict than for homes, e.g. they lay out minimum staff-to-child ratios (when indoors: 1 staff per 3 infants, 1 per 10 pre-schoolers; there are currently about 292 centres)
- No regulations on how much they can charge
 1. There is no single, comprehensive, reliable, accessible, provincial government database of fees (there is one for adult personal care homes)
 2. Range seems to be about \$350 to \$700/month (higher costs in cities)
- Saskatchewan government’s financial supports target both providers and parents
- Ministry of Education gives grants to non-profit licensed facilities, such as:
 1. Startup grants (for a centre/home)→amount based on number of spaces created
 2. Ongoing operating grants (centres only)→amount based on number/age of children
- There is also a Child Care Subsidy, given by the Ministry of Social Services.
 - Not automatic; parents must apply
 - Parents must be employed, looking for work, or in school
 - Kid(s) must be in a licensed, not-for-profit facility
 - Ministry pays the subsidy to the facility; parent must pay the difference to the facility
 - Amount of subsidy is based on family income; the number of kids in day care; type and location of facility (e.g. more if a centre, more if in large city)
 - Sample estimates for Saskatoon and Swift Current for an infant in a centre full time
 - If the family income is under about \$20,000, the subsidy is up to \$570/month in Saskatoon, \$410 in Swift Current
 - Amount prorated after that, and drops to zero once family’s income reaches about \$47,000 (Saskatoon) or \$39,000 (Swift Current)

- Kids aged 2 & 4 in a home
 - If income under about \$21,000, subsidy up to \$845/month in Saskatoon, \$715/month in SC
 - Drops to zero once income reaches about \$61,000 (Saskatoon), \$55,000 (Swift Current)

How well is Saskatchewan doing on child care?

- The Saskatchewan government boasts about its record on encouraging population growth and job creation, & has made international immigration a big part of its economic plans
- In recent years Saskatchewan women of child-bearing age have been having more babies than their counterparts in other provinces
 - Partly because Saskatchewan has seen an above-average growth in the number of international immigrants, many from cultures with larger numbers of children
- There are nearly 75,000 children under 5 in Saskatchewan; that number has been growing at about 3% per year since Sask Party took power in 2007.
- Province failed to plan properly for the predictable consequences of increased immigration and internal migration: number of maternity beds in new Children's Hospital plans had to be increased
- The parental subsidy rates have not been raised since 2006; the 2015 budget decreased funding to the subsidy program by more than 4%
- The subsidy is of no use if you can't find a place in a licensed, non-profit day care
- Lack of access to affordable daycare is having impact on access to education, degree completion at University of Saskatchewan
- Saskatchewan ranks last of ten provinces in
 - Availability of regulated child care spaces for kids under 12
 - Availability of regulated child care spaces for kids under 5
- Saskatchewan has highest usage of unregulated care outside the immediate family
- Saskatchewan ranks 6th/10 in:
 - percentage of government's budget spent on early childhood education and care (including licensed child care, pre-Kindergarten and Kindergarten)
 - overall quality rating of early childhood education and care (tied w/ much poorer New Brunswick)
 - amount of government money spent per regulated child care space for kids under 12

How could governments help improve child care quality?

- The top-ranked child-care system in Canada: Quebec
 - More than 220,000 spaces (well over half of all regulated spaces in Canada)
 - 1997 Quebec introduced subsidized daycare program: parents paid flat \$5/day/child for licensed day care, government paid the rest
 - 2004 increased to \$7; 2014 increased to \$7.30
 - April 1, 2015 amount based on family income:
 - \$7.30 if under \$50,000
 - Increases to a maximum of \$20/day for family incomes above \$150,000
 - Two takeaways from 2015 reforms:
 - Made the program more progressive (families who can least afford to pay, pay the least)
 - Need for more federal leadership

- Although Quebec's program not cheap (costs the government more than \$2.3 billion), economic analysis has shown that the benefits significantly outweigh the costs
 - significant increases in the number & percentage of mothers in the workforce
 - significant increases to Quebec's gross domestic product

WHAT CAN YOU DO?

Take action! Use this information to write your MLA, MP, Minister of Social Services and/or any other person in power that you think can take action in ensuring that child care becomes a priority. Get out in the community! Childcare activists can always use more support! Spread this information to everyone you know – communication and awareness is highly effective in building more support.

For further information about this topic, including the sources of this fact sheet, please contact Karman Kawchuk, Research Officer, SEIU-West by email karman.kawchuk@seiuwest.ca