

**Submission to the Standing Committee on Finance
Pre-Budget Consultation
August 2006**

**Child Care
Advocacy
Forum**

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Organizations:**

BC Association of
Child Care Employers

Coalition of Child Care
Advocates of BC

Early Childhood
Educators of BC

School Age Child Care
Association of BC

Westcoast Child Care Resource
Centre

Western Canada Family Child
Care Association
of BC

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The Child Care Advocacy Forum is an alliance of six provincial child care organizations bringing together thousands of British Columbians who work cooperatively to advance a "Common Vision and Agenda for Child Care Services in BC." (See http://www.advocacyforum.bc.ca/common_agenda.html).

Since its creation in 1999, the Advocacy Forum has advocated for a publicly funded child care system that:

- ✓ Entitles all children access to quality child care programs regardless of their families' economic or employment status.
- ✓ Offers families choices from a range of coordinated, licensed, affordable, quality child care and early childhood programs.
- ✓ Is a key piece of comprehensive family policy that includes income supports, extended parental leave and progressive family/work policies.

Advocacy Forum publications, including previous Federal Pre-Budget Consultation submissions, are available at www.advocacyforum.bc.ca.

Canada's Place in a Competitive World – Child Care is a Solution

Child care is a multipurpose program that addresses both social and economic goals. Research and community experience demonstrate that quality child care has a life long impact on children's health and well being; enables parental participation in the labour force; supports all families including those whose children have additional needs; helps new Canadians during their settlement process and builds community.

Given the Committee's current interest and questions, this submission highlights the critical role child care plays in building the infrastructure required to achieve and sustain prosperity now and in the future.

1. A significant threat to Canada's ability to maintain quality of life for all is a current and projected labour shortage. To a large degree, a crisis has been averted over the last two decades due to the unprecedented entry rate of mothers of pre-school children into the Canadian labour force. Canadian prosperity and competitiveness now and in the future is dependent on women's economic participation. However, unless Canada is prepared to invest in supports for women's essential roles in the home and the economy, birth rates will likely continue to decline and labour force participation rates will stagnate. **Access** to affordable child care is clearly **part of the solution** to this economic problem.
2. Canada's future prosperity is dependent on a healthy and skilled work force. Research from social and physical sciences confirms that the quality of children's experiences in their early years has life long impacts. High quality care promotes positive development; poor quality care can do harm. This finding holds true for children from all economic and social classes. Canada's key trading partners recognize this fact and make significant public investment in supporting families with young children – through income supports and access to quality child care programs. Without similar attention, Canada will lag behind. **Quality** child care is clearly **part of the solution** to ensuring a healthy and skilled citizenry.

3. Child care offers a significant regional and local economic stimulus. By now, the results of a range of cost/benefit analyses of public investment in child care are indisputable. They indicate that child development and labour force benefits of public investment outweigh costs by a low of 2:1 to a high of 7:1 depending on the populations served. Notably, these benefits accrue over and above the stimulus to local and regional economies through direct expenditures on construction of new child care (materials and labour) and on-going wages paid to child care staff. Given the relatively small, community-based nature of child care, these direct expenditures are likely to remain within the regional and local economy. **Investment** in child care is clearly **part of the solution** to regional and local economic development.
4. Canada's reliance (other than in Quebec) on a market driven approach to child care supplemented by limited public investments on the demand side of the market has not worked. Only a small percentage of families have access to child care programs; the cost of child care is out of reach for many moderate and low income families; targeted demand side public expenditures do not create spaces or ensure quality, and financial instability undermines the role child care can play in regional economic development. The market failure of this approach to child care is primarily attributable to the fact that while families are required to be the sole consumers of child care, they are not the sole beneficiaries. On their own, families cannot sustain the full cost of achieving the societal benefits outlined above. **Public investment** in child care is clearly **part of the solution** to achieve broader economic and social benefits.

Recommendations

Based on this analysis, the BC Child Care Advocacy Forum recommends that:

1. The 2007/08 federal budget include a commitment to sustained multiyear federal funding to provinces and territories to begin building child care systems. The long-term goal of this investment is to move away from a system that relies primarily on user-fees to a publicly funded child care system that meets the needs of all families who need or choose to use it.
2. As a starting place, the 2007/08 federal budget include a commitment of \$5 billion from the federal government over five years in support of provincial/territorial child care action plans that include capital expansion of child care and sustained stable operating funds to ensure affordability and quality of existing and new spaces.
3. The \$250 million designated for the proposed Child Care Space Initiative be rolled into the overall federal commitment to ensure that all new spaces created are tied to community needs and are sustainable.
4. Effective income supports for Canadian families be enhanced by incorporating the new taxable family allowance for children under the age of 6 into the Canada Child Tax Benefit and expanding this benefit to include children from 6 - 12 years of age.

The BC Child Care Advocacy Forum looks forward to meeting with the Standing Committee on Finance in Vancouver on October 3rd to answer questions and discuss our analysis and recommendations.