



**Pre-Budget Submission
to
The House of Commons
Standing Committee on Finance**

From

The Manitoba Child Care Association

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Executive Summary

The Manitoba Child Care Association Inc. is pleased to participate in the Pre-Budget Consultations 2009. We provide the following response to the two questions asked of the House of Commons Standing Committee on Finance:

1. What federal tax and program spending measures are needed to ensure prosperity and a sustainable future for Canadians from an economic, social and/or environmental perspective?

The Manitoba Child Care Association recommends the Government of Canada use its constitutional powers to lead the provinces & territories in the development of a system of high quality, not for profit, accessible, affordable, and inclusive early learning and child care services. The Government of Canada should transfer funds to the provinces and territories that are earmarked for early learning and child care and attach conditions to ensure quality and accountability.

Quality early learning and child care programs have been recognized by countries around the world as essential services to support the ongoing learning and healthy development of children and to ensure access to training and labour force attachment of parents. Educated and employed parents can enjoy a stable income, economic security, and the potential for prosperous future.

Canada's sagging birthrate combined with an aging population is a landmine that no responsible government should ignore. Business struggles about labour shortages in many sectors now and it's not likely to get any better as long as Canadian birthrates remain below that required for a country to support itself. (Canadian Policy Research Networks)

In good and bad economic times, Canada needs child care to work. Child care yields high social and economic returns by promoting economic stimulus through job creation, facilitating parents labour force participation and increasing government revenues from employment taxes. It promotes healthy child development. It moves families out of poverty and it builds strong, local economies.

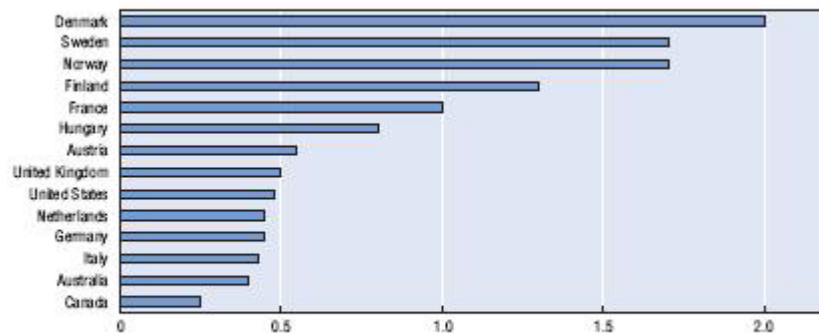
2. What federal stimulus measures have been effective and how might relatively ineffective measures be changed to ensure that they have the intended effects?

The Government of Canada substituted the Universal Child Care Benefit (UCCB) for the 2005 federal/provincial funding agreements on early learning and child care. The UCCB is an ineffective replacement. The UCCB is similar to the former baby bonus, which began in 1944 and was terminated as a universal allowance in 1988. It provides a small, and no doubt welcome monthly cheque for each child under age six, but it does nothing to establish and sustain the child care services that most parents in the 21st century require for children under age 12. It is a costly giveaway of \$2.4B annually of taxpayer dollars,

with no accountability mechanism that ensures the money is spent on eligible children, no reporting, and no measurable outcomes. It is a taxable benefit, the net value received by the parent pays for no more than a full day or so of care a week and children ages 6-12 are ineligible. The UCCB isn't robust enough or inclusive enough to qualify as a national child care program, nor does it establish or sustain child care services.

According to Starting Strong II, Organization for Economic Cooperation and Development (OECD), Canada ranks last among 14 industrialized countries in public spending on early learning and child care at 0.25% of GDP:

Figure 5.3. Public expenditure on ECEC services (0-6 years) in selected OECD countries (%)



Note: This figure is comprised of expenditure estimates, based on replies provided by country authorities to an OECD survey in 2004. The figures provided suggest that Denmark spends 2% of GDP on early childhood services for 0- to 6-year-olds, and Sweden 1.7%. These countries – and Finland – also allocate an additional 0.3% (approximately) to the pre-school class for children 6 to 7 years.

By 2020, federal support for early learning and child care services should reach 1% of GDP, through scheduled increases in annual increments to provinces. Funds should be sustainable, increased annually, targeted to the provinces and territories that are committed to development of high quality early learning and child care services.

Quality Child Care – Canada Can't Work Without It!

Current economic realities leave many families struggling to find and keep jobs, to acquire and enhance their education and skills, pay for housing, put food on the table, and buy shoes for the children.

In good and bad economic times, Canada needs child care to work. Child care yields high social and economic returns by promoting economic stimulus through job creation, facilitating parents labour force participation and increasing government revenues from employment taxes. It promotes healthy child development. It ensures fathers and mothers can participate in education, job training, and can enter and stay in the workforce. It moves families out of poverty and it builds strong, local economies.

Not only is quality child care combined with early learning a priority for Canadians, but investing in affordable and accessible child care services is also a key strategy for fostering economic prosperity in Canadians and a sustainable future for country.

In 2007, 69% of women in Canada with a child between ages 0 – 2 and 77% with a child between ages 3 – 5 were engaged in paid employment. ¹ At the same time there are only enough regulated child care spaces for 15 -20% of the children who need it.

In 2009, the United Nations Children’s Education Fund published a new study rating Canada’s provision of early childhood education and child care at the very bottom of 25 developed countries.

UNICEF, the Canadian Paediatric Society, the Organization for Economic Cooperation and Development, and the Canadian Labour Congress are just some of the many well-established organizations presently calling on governments to take strong leadership on creating a national child care strategy to build accessible, affordable, quality early learning and child care services.

On behalf of 3800 members and the parents and children on multi-year waiting lists for a child care space, the Manitoba Child Care Association joins in the call to the Government of Canada to take immediate action to get Canada’s early learning and child strategy development back on track and moving forward:

1. *The Government of Canada should use its constitutional powers to lead the provinces & territories in the development of a system of high quality, not for profit, accessible, and inclusive early learning and child care services. The Government of Canada should transfer funds to the provinces and territories that are earmarked for early learning and child care and attach conditions to ensure quality and accountability.*

Public investment in young children through early childhood education and child care programs is one of the best investments governments can make. We are looking for investments in public financing and policy development to begin immediately and call on you - as Canada’s government leaders - to make this happen.

2. *By 2020, federal support for early learning and child care services should reach 1% of GDP, through scheduled increases in annual increments to provinces. Funds should be sustainable, increased annually, targeted to the provinces and territories that are committed to development of high quality early learning and child care services.*

3. The Manitoba Child Care Association continues to support the 2006 recommendation from the House of Commons Standing Committee on Finance, on which there is still no action:

.....the government, in conjunction with the provincial/territorial governments should fund a national, accessible, affordable, high quality, publicly regulated child care system. This system should respect any provincial/territorial child care programs already in effect, recognizing the leadership of the province of Quebec.

¹ Beach, J., Friendly, M., Ferns, C., Prabhu, N., & Forer, B (in press). *Early Childhood Education and Care in Canada*, 2008. Toronto: Childcare Resource and Research Unit. Table 6, special tabulation from Statistics Canada based on the Labour Force Survey, 2007, annual average.

“Canada shall, under a Progressive Conservative government, have an effective national system of child care” (Brian Mulroney, 1984)

Quality Early Learning and Child Care Does A Public Good

An investment in licensed child care is an investment in a healthy economy and a productive society. It gives parents the opportunity to access the jobs and training they need to support their families, and helps children learn and develop. Over the long term, expanding child care services may in fact save the taxpayer money. A landmark study of the effects of high quality early care and education on low income three and four years olds shows that adults at age 40 who participated in a preschool program in their early years have higher earnings, are more likely to hold a job, have committed fewer crimes, and are more likely to have graduated from high school. The High/Scope Perry Preschool study documented a return to society of more than \$17 for every tax dollar invested in the early care and education program. (www.highscope.org)

Childcare is an essential element of rural infrastructure, enabling rural families to combine work and family, enabling parents to earn off farm income, and thus strengthening the rural economy...

Association of Manitoba Municipalities, Resolution #16/07

Quality Early Learning and Child Care Benefits Employers and Families

Employer’s benefit when employees have good dependable child care. Employees are more productive on the job, and are less likely to be absent, late for work, leave early, or show other signs of stress caused by uncertain child care arrangements. Making child care more accessible to low-income working families costs less than maintaining them on welfare. For many two-parent families, the second income, made possible by the availability of child care, is the only thing that stands between them and poverty. When parents can’t find or afford licensed child care, this may make the difference between dependence on welfare, and contributing to the Canadian economy. Child care is essential to help single parents, mainly women, to get the education and training they need to succeed in today’s workplace and support their families.

All children have the right to high quality care...Canada’s child care system has unacceptable gaps due to problems with quality, availability, and affordability. The negative effects of poor quality child care and the positive effects of high quality child care gave an impact on children regardless of social class. Access to affordable, high quality child care and early childhood education services should be accessible to all, with parents paying fees on a sliding scale based on their ability to pay.” (National Forum on Health, 1997)

Quality Child Care – Canada Can’t Work Without It!