

A strong economy needs good child care: Canada can't work without it

Stephen Harper and his Conservatives say that Canada doesn't need a high quality early childhood education and care system. But the reality is that not investing in good child care is bad economics. Universal, community-based systems of high quality early childhood education and care are part of the backbone of strong economies.

Good child care makes us more competitive

Investing in the early years is first and foremost about investing in our children's physical, social, emotional and intellectual well-being. It is also part of ensuring that Canada is competitive with other modern economies. Healthy child development is a critical foundation for 21st century economies that are increasingly knowledge-based. Studies overwhelmingly show that good quality child care is good for children's development but poor quality may be harmful. The verdict is in – good quality, early childhood education and care helps prepare today's children to succeed in knowledge-based jobs that require lifelong learning.

Economists, bankers and early childhood development commentators such as Dr. Fraser Mustard and Margaret McCain, authors of the *The Early Years* report, say that universal child care is key to Canada's path to prosperity. James Heckman, Nobel-prize winning economist argues that investment in early childhood brings greater returns than investment in any other stage of education.

Good child care yields high economic and social returns

Early childhood education and care diminishes the need for remediation in the school years and results in later adult productivity and reduction of anti-social behaviour. A Canadian cost-benefit study calculated that every dollar invested in universal, high quality early childhood education and care would produce a \$2 social and economic return to our society. Long-term US studies based on actual programs show even higher returns for low income children, well over \$3 or \$4 for every dollar invested. Other studies of early childhood education and care in countries from the US to developing countries demonstrate a relationship between early childhood programs and improved school performance.

Good child care helps women stay in the workforce and out of poverty

Child care is a critical support for women already in the workforce and those who want to enter it. Studies show that the poverty rates of women and their families would fall if mothers had access to universal child care:

- ◆ Women's lifetime earnings would increase, reducing their poverty rates in old age.
- ◆ More mothers could work outside the home. Since Quebec introduced its child care system, twice the number of married women have entered the workforce than in the rest of Canada.
- ◆ Female lone parents—most of whom are poor—would be able to train for work, get decent jobs and accept job promotions.

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- ◆ Families with two parents working would have a chance to improve their economic stability and income in a time of insecure employment and stagnating wages.

In Quebec, 40 percent of the yearly costs of the child care system are covered by the income and payroll taxes generated by increased maternal labour force participation, helping to offset the net cost of providing ECEC services.

Good child care builds strong local economies

From the moment the concrete foundation for a new child care centre is poured, early childhood education and care generates ongoing economic activity in the community. It creates green jobs that don't harm the environment. The majority of child care dollars are spent locally and invested in people, since the sector is labour intensive. Child care workers usually live, work and buy in their communities. Canadian research calculates that every dollar of child care spending in Manitoba produces a ripple effect of \$1.58 in the local economy. Many US studies have produced similar figures, demonstrating that early childhood education and care is a very sustainable form of local economic development.

Good child care helps increase birth rates

Birth rates are falling and populations are aging in most industrialized nations. High quality, affordable child care is critical to helping parents balance work and family and its absence makes a difference when it comes to deciding how many children to have. American economist Kevin Daly's research shows that accessible child care is correlated with some countries' higher birth rates. The relationship between child care and higher birth rates has led to the inclusion of child care as an important part of the EU's labour force strategies for economic growth.

If Canadian governments don't put policies in place to address shrinking birth rates, we are likely to face large future labour shortages. These shortages could seriously harm our economy and our standard of living, and threaten social programs that rely on a large tax base, such as universal health care.

Good child care makes economic sense

Investing in our children is about giving children a good start in life, and contributing to the well-being of families and society. It also makes good economic sense in the short-term and the long-term. It's part of strengthening and sustaining local economies, creating jobs, and building a talented and competitive future workforce.

Not investing in early childhood education and care is bad economics. Smart 21st century governments know that investing public dollars in high quality child care is one of the best economic decisions a government can make.

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