

# Making a better choice for child care in B.C.



## Why we need to fight for a national child care system:

A high quality and affordable universal public child care system accessible to everyone would provide:

- All children with an equal opportunity for the best start in life. Quality child care leads to better social integration, health, and education outcomes for all children, especially those who come from disadvantaged families.
- More equal opportunity for parents, and especially women to work, study, learn and improve their quality of life, confident that their children are in a secure and creative environment.
- Better wages and conditions for child care workers, most of whom are lower paid women. Better conditions for child care workers also means better conditions for our children.

Studies have shown that for every dollar invested in high quality child care, there is a two dollar benefit to children, parents and society in general<sup>1</sup>. Governments also benefit because more people at work means higher tax revenues – and lower spending on social transfers.

## What the federal child care program could have provided for B.C.

The federal child care agreement would have provided an extra \$633 million for improving child care programs in British Columbia over five years.

Cancellation of the program will mean that the province loses out on over \$455 million in funding for child care programs from 2007/8 to 2009/10.

According to the agreement, these funds were designed to go to increasing availability and affordability, including for

children with diverse needs, and enhancing wages, training, development and quality.

But the B.C. government has done very little to improve child care in the province. The province only spent \$40 million of the \$92 million that the federal agreement provided last year. These funds went to:

- raising child care subsidies and subsidy income thresholds
- increasing operating funding to child care providers
- higher capital funding grants

The province still hasn't restored the \$40 million that it has cut from its own spending on child care since 2002. Premier Campbell's lack of support for child care even resulted in the co-chair of the B.C.'s child care council resigning her position.

Under the federal agreement, B.C. would have had to develop an action plan on early learning and child care. This would have outlined a clear plan for improving child care in B.C. and would have clearly specified where the federal funding would have gone.

But with the change in government in Ottawa, the B.C. government has put all further action on hold. Despite claiming that its last budget focused on children, the province hasn't restored one cent from the provincial cuts to child care.

There is a dire shortage of quality and affordable child care in B.C. Above all, the province badly needs a coordinated plan to increase spaces, improve wages, training and quality, reduce parent fees, and develop community-based planning and delivery of new services.

Municipal councils have urged the government to take action. But Premier Campbell has been silent about the cancellation of the child care plan and has done nothing to stand up for the deal.

## Why Harper's "Choice in Child Care Allowance" does nothing to increase child care spaces and eliminates choices

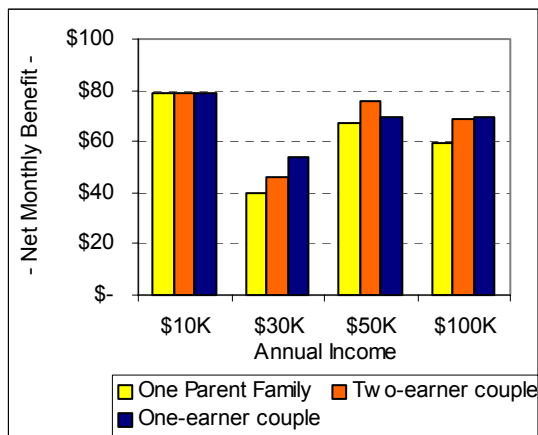
Harper's so-called *Choice in Child Care Allowance* -- \$100 per month for each child under six -- isn't a child care program at all. It will not directly increase the number of child care spaces. It is simply a child allowance and a badly designed one at that. Instead of providing parents with more choices -- such as the choice to work, study and improve their family's quality of life -- it *eliminates* choices for working families.

Social Development Minister Diane Finley has suggested that "good parents" should stay home to care for their children instead of going to work. Finley acknowledged that the allowance won't provide enough for decent child care, but says that it could cover the cost of occasional babysitting.

The proposed child care allowance is deeply flawed in many ways<sup>ii</sup>. Because it will be taxable income, the true value is much lower than \$100 per month after taxes and transfer payments are factored in.

- *Would provide for only a fraction of child care costs.* After taxes and transfers are factored in, B.C. families making around \$30,000, it works out to only \$1.32 to \$1.78 per child per day.
- *Gives much higher net benefits to families with a stay-at-home spouse and actively discourages mothers from working.* Families with a stay-at-home parent will get up to 35% more than a single parent.
- *Net benefits are inequitable and irrational.* Working families at the poverty line will benefit the least, while those with higher incomes will get more.
- *Federal and provincial treasuries will make windfall gains in the form of higher taxes and lower transfer payments.* Of the \$1.8 billion, almost \$500 million will come back to governments through taxes and lower transfers.

### Net Benefit of Proposed Child Care Allowance to B.C. Families



- *A single parent with income of \$30,000 in B.C. will get a net benefit of only \$40 per month after taxes and transfers.*
- *A family with an income of \$100,000 and one spouse at home would get a net benefit of about \$69 per month.*
- *B.C. has promised not to claw back the funds from social assistance.*

No amount of fiddling will make the child allowance into a real child care program. We need to build the child care system that Canadian families need and deserve.

It would be much better if the federal government used the money to increase the National Child Benefit so that low and middle-income parents would get the full value of the benefit and also expand maternity/parental benefits to include self-employed parents and students to replace 75 per cent of lost income.

#### How to get involved:

- Sign on to an open letter that tells politicians to honour the agreements at: <http://www.buildchildcare.ca/>
- Tell Premier Campbell to maintain the positive steps made under the child care agreements.

<sup>i</sup> *The Benefits and Costs of Good Child Care*, Gordon Cleveland and Michael Krashinsky. University of Toronto at Scarborough, 1998.

<sup>ii</sup> See also *The Choice in Child Care Allowance: What You See Is Not What You Get*, Ken Battle, Caledon Institute of Social Policy, February 2006.