

# Making a better choice for child care in Manitoba



## 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.

## Manitoba has been a leader in child care programs

Manitoba has been a leader in child care and early childhood development and has set out a comprehensive and ambitious plan to improve quality, increase accessibility and improve affordability, based on the QUAD principles. This has included a commitment to non-profit community-based care that can best meet these principles.

Funding for early learning and child care in Manitoba has increased by 64% since 1999, salaries have increased by 18.9% on average.

## What the federal child care program could have provided for Manitoba:

Manitoba was the first province to sign an early learning and child care agreement with the federal government and set a high standard for other provinces. The federal program would have provided an extra \$176 million in funding over five years.

In just the first two years of the agreement, Manitoba has already started to:

- Increase salaries and training and resources for child care workers
- Add 3,000+ more spaces, including spaces in French language programs and for children with disabilities
- Reduce or freeze fees
- Build, renovate and expand 50 child care centres
- Pilot an innovative hub model of administration and governance

Because of its commitment to developing a quality child care program the Manitoba government announced that it will proceed with the increased operating grants and salaries for workers.

But cancellation of the federal funding could mean that further expansion and improvements beyond these two years may be in question because the province will lose out on \$126 million in federal funding.

There are already 15,000 names on the waiting lists for child care in Winnipeg alone. Thousands of children and parents across Manitoba need affordable quality child care.

CUPE represents more than 130 early childhood educators in Manitoba who make immense contributions every day to provide a nurturing and learning environment for children across the province. These efforts will be made much more difficult if the federal program is cancelled.

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

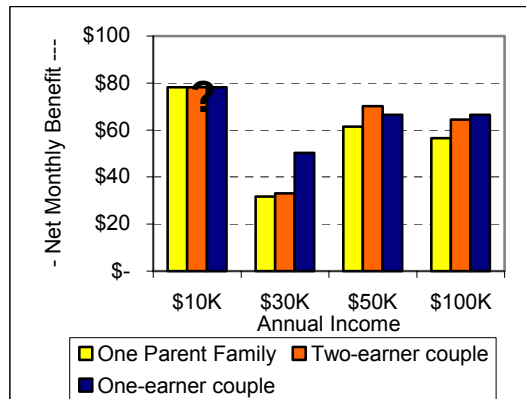
Harper's so-called *Choice in Child Care Allowance* -- \$100 per month for each child under six -- isn't a child care program at all. It will not directly increase the number of child care spaces. It is simply a child allowance and a badly designed one at that. Instead of providing parents with more 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>i</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, it would work out to only \$1.04 to \$1.65 per child per day for Manitoba families with incomes of \$30,000.
- *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 58% more than a single parent with the same income.
- *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 Manitoba Families



(\* Benefits for low income could be zero with clawbacks)

- *A single parent or two-earner couple with employment income of \$30,000 in Manitoba will get a net benefit of only \$32-\$33 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 \$66.50 per month.*
- *People on social assistance might not receive any net benefit at all if Manitoba claws it back 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 your elected representatives 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. U of T, 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.