

**Submission to the BC Select Standing Committee  
on Finance and Government Services**

**October 2012**

**The Child Care Crisis Facing Families in BC**

In British Columbia, as in the rest of Canada, access to child care is a right highlighted by the United Nations Convention on the Right's of the Child. However, that right is not being honoured and as a result we have a crisis in our province that negatively impacts children, women, families, workers and our economy. Commercial child care chains, which are on the rise in BC, are adding to the problem. The solution, and a significant benefit to our economy, is the Plan for a Public System of Integrated Early Care and Learning – known as the **\$10 a day child care Plan**.

**The \$10/day Solution: The Community Plan for a Public System of Integrated Early Care and Learning.**

In the spring of 2011, the Coalition of Child Care Advocates in partnership with the Early Childhood Educators of BC released the **Community Plan for a Public System of Integrated Early Care and Learning** that offers a concrete, innovative 'made in BC' solution to the child care crisis facing families with young children.

The Plan builds on well established evidence that:

- Quality child care IS early learning.
- Current policies and approaches do not meet the need of BC's children and families.
- Public spending on the early years is a wise social and economic investment.
- Quality matters.

Over 1100 individuals have endorsed the Plan on-line, and a massive and diverse list of organizations, municipalities, school boards, businesses and academics have officially supported the Plan because it resonates across the province, both in and out of the early childhood sector as real and achievable.<sup>1</sup> See the attached list of those who support:

1. New Early Care and Learning Legislation;
2. Moving child care from the Ministry of Child & Family Development to the Ministry of Education;
3. A new role for Boards of Education with mandate and funding;
4. The development of Early Years Centre (EYC) Networks building from licensed child care services that currently exist;
5. Enhancing Kindergarten and grade one with Early Childhood Educators in classrooms;
6. A workforce strategy to raise the level of education of those working with young children

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<sup>1</sup> <http://www.cccabc.bc.ca/plan/endorse-the-plan/>

**If and when government puts the Plan in place, child care will cost families \$10 a day for a full-time program, \$7 a day for part-time, and no user fee for families who have an annual income of under \$40,000. Every young child will have the right to access quality early care and learning programs.**

With new investments from the province, locally elected school boards will provide early care and learning programs in their communities with the operating funds they need to deliver quality programs. Early childhood educators will receive the respect and remuneration they deserve.

### **Why the Surrey Board of Trade is supporting the \$10/day child care Plan**

While, in the past, governments have too often seen child care as a 'cost' the latest economic research demonstrates that investments in child care are an effective way to stimulate the economy. In fact a child care system can be self-financing.

For example after 12 years, Quebec's child care system is paying for itself through mothers' annual income taxes as well as consumption taxes. Pierre Fortin, an economics professor at the University of Quebec has proven, for every dollar Quebec invests in its child care system, it recoups \$1.05 while Ottawa receives a 44-cent windfall.

By 2008 in Quebec 3.8 per-cent more women had entered the workforce as a result of expanded child care options and the ripple effect of their employment pumped an additional \$5.2 billion into the Quebec economy boosting the province's Gross Domestic Product by 1.7 per-cent.<sup>2</sup>

In British Columbia the Human Early Learning Partnership (HELP) at UBC in their 2009 report<sup>8</sup> demonstrated that only 30% of BC children arrive at kindergarten developmentally vulnerable. This means that nearly one in three B.C. kindergarten children are at risk of failing to develop into the healthy, well-educated, innovative and productively-employed adults we need to secure our long-term economic sustainability. The government of B.C. has committed to lowering the provincial rate of early vulnerability to 15% by fiscal year 2015.

HELP indicates that "a rate of child vulnerability above 10% is biologically unnecessary. At three times what it could be, the current vulnerability rate signals that BC now tolerates an unnecessary brain drain. Economic analyses reveal this depletion will cause BC to forgo 20% in GDP growth over the next 60 years. The economic value of this loss is equivalent to investing \$401.5 billion today at a rate of 3.5% interest, even after paying for the social investment required to reduce vulnerability."<sup>3</sup>

### **Did you know that access to Child Care is a Right?**

Canada has signed significant international treaties, the Convention on the Rights of the Child and related General Comment #7, the Convention to Eliminate Discrimination Against Women and the Covenant on Economic, Social and Cultural Rights guaranteeing the rights of women and children. British Columbia is equally responsible for honouring these treaties. But after thirty years of advocacy led by grassroots women's organizations, neither Canada nor BC has fulfilled their commitment to invest in a system of quality child care services. On October 5<sup>th</sup>, 2012, the United Nations Committee on the Rights of the Child issued a report condemning Canada's lack of progress with the following criticisms:

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<sup>2</sup> [http://www.oise.utoronto.ca/atkinson/UserFiles/File/EarlyLearningEconomicForum\\_Fortin.pdf](http://www.oise.utoronto.ca/atkinson/UserFiles/File/EarlyLearningEconomicForum_Fortin.pdf)

<sup>3</sup> <http://www.earlylearning.ubc.ca/wp-uploads/web.help.ubc.ca/2010/01/15by15-Executive-Summary.pdf>

"The Committee is concerned by the high cost of child-care, the lack of available places for children, the absence of uniform training requirements for all child-care staff and of standards of quality care. The Committee notes that early childhood care and education continues to be inadequate for children under four years of age and the Committee is concerned that the majority of early childhood care and education services are provided by private, for profit institutions, resulting in services being unaffordable for most families."<sup>4</sup>

### **BC Child Care is in Crisis**

Today's reality in British Columbia is that families with young children need access to quality child care services – a fact reiterated in September 2012 by the Union of BC Municipalities who once again supported a resolution moving forward with a solution to the current child care crisis in their communities.

Yet BC families today are experiencing long waiting lists for child care services (especially for care for infants and toddlers) and high fees that are not affordable for most parents. Furthermore, the wages of college educated Early Childhood Educators are below a living wage, making recruitment and retention of qualified early childhood educators a serious issue in the sector.

Child care fees for parents are high because unlike libraries, parks and schools that receive public funds to cover most of their operating costs, child care in BC is primarily a user pay service. Child care fees are families' second highest expense – after housing. Child care can cost families more than post-secondary education with fees as high as \$1915 a month for one child.<sup>5</sup>

The average wage of an Early Childhood Educator in BC is just \$16.46 an hour<sup>6</sup>. This low wage is clearly not commensurate with the level of responsibility required of the profession.

Yet, the BC government currently budgets only about \$300 million a year for child care. Of this, about \$80 Million comes to BC through federal transfer payments. This low level of investment belies the fact that:

- In 2008 there were 567,000 children under the age of 12 living in British Columbia;
- 358,700 of those children's mothers were in the paid labour force.
- But in 2011, there were only approx. 97,000 licensed child care spaces.

### **Calling for a Moratorium on Public Funds to Commercial Child Care Expansion**

We are calling on the Premier to implement an immediate moratorium on public funds being used for the expansion of commercial child care chains in BC. In the midst of a child care crisis it is unfathomable that scarce public funds would be used to fund profits for commercial operators.

In BC, due to the lack of public policy and adequate operating funding, child care is market based and provided on a fee for service basis. To date – most child care in BC has been delivered by non-profit societies, small owner-operators, or family child care providers. However, big-box commercial child care chains are quickly trying to take hold in BC,<sup>7</sup> and two of these chains charge parents top of scale fees. Low

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<sup>4</sup> United Nations Convention on the Rights of the Child [http://www.cccabc.bc.ca/res/rights/files/CRC-C-CAN-CO-3-4\\_en.pdf](http://www.cccabc.bc.ca/res/rights/files/CRC-C-CAN-CO-3-4_en.pdf)

<sup>5</sup> Kids & Company 2012

<sup>6</sup> <http://www.bcstats.gov.bc.ca/data/iss/labour/wage/viewdata.aspx>

<sup>7</sup> <http://www.edleun.com/index.asp>

income parents eligible for the provincial subsidy are unable to make-up the difference between the provincial fee subsidy and the actual cost of fees in for-profit commercial centres (e.g. maximum subsidy rate for Toddlers is \$635 but the actual parent fee can be \$1915 per month.

Based on examples from other jurisdictions, there are many concerns related to commercial child care chains which highlight that corporate responsibility to generate profits can be put ahead of quality for children and families or accountability to the general public and tax payers.

According to UNICEF and the Organization for Economic Cooperation and Development (OECD), child care in Canada is the weakest in the developed world and a poster child for how the market approach fails in the provision of a public good.<sup>8</sup>

From an international perspective, the worst policy approaches to child care are those where public funds are delivered to services on behalf of parents through vouchers or subsidy payments for which there is no accountability. The largest proportion of the BC child care budget goes to such subsidies. When transferred to a commercial provider, funds delivered through vouchers or subsidies can go directly into profits.

The strongest child care systems are those that directly fund public child care services to provide adequate spaces, decent wages, higher quality and lower parent fees.

#### **Recommendations:**

**The child care crisis in BC will be resolved, family poverty alleviated, and our economy improved, when those elected to represent us move forward with the Community Plan for a Public System of Integrated Early Care and Learning. Therefore we respectfully recommend that in 2012 the provincial government:**

- 1. Endorse the \$10 a day Early Care and Learning Plan for BC;**
- 2. Implement an immediate moratorium on public funds for commercial child care chain expansion;**
- 3. Pass the Early Care and Learning Act in the Legislature;**
- 4. Move child care from MCFD to the Ministry of Education;**
- 5. Immediately reduce parent fees of all Licensed Infant & Toddler child care spaces to \$10 a day;**
- 6. Establish 5 *Early Years Centre Network* Demonstration Sites around the province.**

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<sup>8</sup> <http://www.unicef.ca/portal/SmartDefault.aspx?at=2250> and <http://www.oecd.org/dataoecd/41/36/33852192.pdf>