



MEDIA RELEASE
Thursday, June 16, 2005

New child care study points to 'policy deficit'

Despite new federal funding for children's services, factors affecting quality and access in Canadian child care programs continue to fluctuate largely due to provincial policy directions, says a new study by the University of Toronto's Childcare Resource and Research Unit (CRRU).

Using data provided by provincial, territorial and federal governments and other sources, authors Martha Friendly, CRRU coordinator, and researcher Jane Beach provide a snapshot of early learning and child care programs in 2004 and track spending and service trends back to 1992.

Early Childhood Education and Care in Canada 2004, the sixth Canada-wide update by the CRRU, arrives just as a new national child care program is under development. Provincial/territorial governments are preparing action plans that will make them eligible for \$5-billion in federal child care funding. These plans are intended to reflect four principles: Quality, Universality, Affordability and Developmental programming – the "QUAD".

The study shows that Canada's newest social program is being developed against a changing family demographic:

- The young child population is in decline. There were 2 million children under six years in Canada in 2003, compared to 2.3 million in 1992.
- The trend towards mothers in the labour force continues. In 1995, 68% of mothers with children 3-5 years of age worked outside the home; by 2003 it rose to 75%. Participation rates for mothers of children under 3 years and school age children also grew.
- New mothers are taking advantage of improved maternity leave benefits. Federal spending on maternity leave more than doubled from \$1.3 billion in 2000 to \$2.7 billion in 2003. Take up varies by region with only 25% of new moms in Nunavut taking the benefit compared to 70% in PEI.

Child care service trends show stark regional variations:

- Overall public spending on regulated child care improved. Total provincial/territorial spending rose from \$762 million in 1992 to \$2.4 billion in 2004. Quebec now accounts for 65% of all spending on child care. Bucking the national trend are Alberta and British Columbia where spending has declined since 2001.

- There are many more regulated child care spaces; 745,254 spaces in 2004, compared to 373,741 in 1992.
- 2001-2004 marked the first significant increase in spaces outside Quebec following years of stagnation. However, Quebec still accounts for more than half the new spaces created in this period - 87,000 spaces contrasted to 64,997 spaces in the rest of Canada.
- Access remains a serious problem. Across Canada 15.5% of children 0-12 could be accommodated in regulated programs in 2004, up from 12.1% in 2001. Quebec leads providing coverage for almost 30% of its children whereas Saskatchewan serves 4.9%.
- The supply of child care is unstable; in 2003/4, more centres closed than opened in three provinces.
- Financial support to low income parents has stagnated. A number of provinces have not improved their subsidy levels since 1995. BC has decreased its income eligibility levels.
- Public funding per space – associated with quality and access – has fallen since 2001 in six jurisdictions and ranges from \$816 in Alberta to \$4,849 in Quebec.
- The market share of privately owned child care programs has dropped from 30% to 20% since 1992. However, between 2001 and 2004, the number of for-profit operations increased in four provinces -- Ontario, Newfoundland, Nova Scotia and PEI.

A line can be drawn from each of these statistics to one or more of the promised QUAD principles says Ms. Beach. “A high quality “space” cannot be maintained without adequate funding. Access is not only measured in the number of spaces; parents must also be able to afford the fees. Developmental care is not sustainable when centres close as fast as they open.”

Overall the figures point to a significant “policy deficit”, says Ms. Friendly. “The federal government has made new funding available for child care and substantial new investments are pending. Needed is a strong policy framework to ensure that public money produces the system of high quality, developmental programs that parents can afford to which governments have committed”.

Early Childhood Education and Care in Canada 2004 (232 pages) and *Trends and Analysis* (12 pages) are available on line at www.childcarecanada.org or in print from the Childcare Resource and Research Unit.

For more information or to arrange interviews call the Childcare Resource and Research Unit at 416.978.6895.



QUESTIONS AND ANSWERS

Lessons from the Study: *Early Childhood Education and Care in Canada 2004*

On June 16, 2005 the Childcare Resource and Research Unit at the University of Toronto released a comprehensive study on the status of child care in Canada. Here the authors address its implications.

What are the main findings of the study?

Several main themes emerge. First, when we look at early learning and child care overall, there have been improvements in the 2001-2004 time period (and, indeed, since 1992). For example, access (the proportion of children for whom there is a regulated space) grew to 15.5% of children 0-12 years, up from 12.1% in 2001. While much of the increase in spaces (more than half) was in Quebec, for the first time in some years, there was expansion outside Quebec too.

Second, it's important to note that no trend holds for the entire country. For example, while access (number and coverage of regulated spaces) has improved overall and in most jurisdictions, in Alberta it has declined. Canada-wide public spending on child care has almost tripled since 1992 but in BC and Alberta it has fallen since 2001. In most provinces/territories, fee subsidy income eligibility for low income parents has been static since 2001 (or earlier) but grew in two provinces (Alberta and Saskatchewan) and decreased in BC. And while the number of spaces increased overall, there were more program closures than new centres in three provinces (2003/04). Finally, spending per space – closely associated with quality and access - fell in six jurisdictions between 2001 and 2004.

Third, child care is extremely vulnerable to political change. From the study, one can see how improvements made by one government can diminished or even reversed under its successor. Developments in Ontario, BC and Quebec since 1992 particularly illustrate this.

What does this mean?

The study emphasizes why a comprehensive approach is required so that governments begin to coherently and consistently address the perennial concerns about early learning and child care quality and accessibility. The findings very much underscore the need for a national pan-Canadian

approach to child care policy so that regardless of the region of the country or periodic changes in provincial/territorial governments, parents can be assured that access to high quality early learning and child care will continue to improve in all regions.

This is the sixth update on child care by the Childcare Resource and Research Unit since 1992; the last version (compiling 2001 data) was published in 2002.

Since the last report, the federal funding through the 2000 Early Childhood Development agreement (ECDI) and the 2003 Multilateral Framework Agreement on Early Learning and Child Care began to flow. Together these will transfer \$850-million annually to the provinces and territories for services for young children (by 2007). The CRRU study was able to provide baseline data for the Multilateral Agreement and to capture the impact of the ECDI.

The 2004 data in this study refer to the time period right before the last federal election and the commitment to a new national early learning and child care program. The findings will now provide baseline data for the commitment of \$5-billion over 5 years for early learning and child care contained in the 2005 federal budget.

How was the information compiled?

The “snapshot” for these data was March 31, 2004 and the 2003/04 fiscal year. Data were provided by provincial, territorial and federal government child care and kindergarten officials. Statistics Canada demographic and labour force data, data from other published sources and from community groups were used as well. We emphasize that it is very difficult to obtain a complete picture of early learning and child care in Canada and key comparable data (for example, on wages and fees) are not available and some jurisdictions do not collect data on auspice, fee subsidies or children with special needs. Adequate data on early learning and child care for Aboriginal children and children with special needs are also not available.

As substantial new public spending becomes available, it is essential that attention be paid to data and research to support public policy development and to ensure public accountability.