

# Financing Canada's Child Care System



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A Letter to Ken



## Dear Ken,

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- Building a good Early Learning and Child Care system will be difficult and expensive. Some people will give you bad advice. Some loud voices will be opposed to what you do.
- Here is a quick primer from a couple of economists who care about getting it right.



# Clear Objectives

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- Yogi Berra
- “If you don’t know where you are going, you will wind up somewhere else.”



# A Public Service

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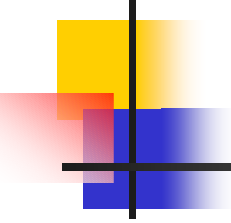
- A good quality system of early learning and child care services for all of Canada's children who wish to use it.
- A public service not a market choice.



# Quality is Job One

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- For the children
- For the parents
- For public support



# Funding on the supply side rather than the demand side

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- Services available to all, rather than payments to parents
  - Quality and choice
  - No to a two-tier system
  - No to segregation
  - Avoid Australian and U.S. models of corporate child care
  - Innovation and cost control
  - In schools and out of schools



# Parent's Contribution

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- 10%-30% in Europe, or free
- \$7 per day
- Reduces public costs, perceived as fair, gives parents a stake
- Special tax-based arrangements for low-income



# Raising Revenues

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- Multiple sources, considerable federal funding
- Not gambling or dedicated tax, not employer funding
- Preserve incentives to employment





# Phasing-In

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- Start with 4 and 5 year olds
  - So that services are universal
  - Public support
  - Costs much lower; dollars go farther
  - Work on integrating kindergarten and child care
  - Develop monitoring, data collection
  - Quality is Job One



# Financing Objectives

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- Adequacy and dependability of funding to services
- Public accountability, data collection, monitoring
- Equity
- Efficiency in using public dollars



# Thanks, Ken

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- For finally getting us on the road to good quality Early Learning and Child Care for all children. We need it, we can afford it, and our children deserve it.
- Yours truly,  
Gordon Cleveland and Mike Krashinsky