

A universal child care system is affordable

BC has the capacity to choose child care. Last year the BC government had \$39.4 billion in revenue to use for different programs. This table shows some of those revenue sources. Spending on child care is a matter of making choices about where revenue will come from and what can be achieved each year.

BC government revenues	2007/08
Provincial sales tax	\$5.1 billion
Corporate taxes	\$2.2 billion
Natural gas royalties	\$1.2 billion
Other resource revenues	\$2.6 billion
BC Lotteries net income	\$1.1 billion
Federal transfers	\$5.8 billion

How much of an investment is needed for child care?

Child care researchers have crunched the numbers on how much money is needed for a comprehensive child care system in BC— one that provides quality, affordable spaces for infants, toddlers, pre-schoolers, and children of working parents before and after regular school. ***They found a universal system is affordable.***

Their estimates assume very high levels of take-up for children under five, a total of up to 367,000 children twelve and under accessing a space, parent fees reduced to an average of 20% of the total costs, wages increased to the \$20/hour range, plus benefits, and 10% of spaces with additional supports and resources for children and families. (The estimates represent maximums and could turn out to be even lower.)

These estimates also look to the experience in Quebec, where every \$1 of public funding spent on child care immediately returns 40 cents the following year, mainly because more parents are able to work and contribute taxes.

The bottom line? The net new public investment required to operate quality affordable child care for children under age 12 in BC is \$1.2 billion a year. Capital funding for new spaces will be needed too, but is not included in this model as the need will vary significantly across communities.

On a per child basis, this is comparable to the education system. Researchers estimate it will take \$8,400 to operate a full-time child care space for a 3-5 year old, which compares to BC's K-12 education system operating grants of \$8,000/student.

Funding can be phased in over time

The funding doesn't all need to be put in place in one budget year. In fact it will take five to ten years to fully phase in a child care system. What matters is that BC commit now to building a system and set targets and timelines to get there.

Elements that can be phased in over time	Shifting the burden from parent fees to public funding
	Improving wages and working conditions to attract and retain trained workers
	Adding both part-time and full-time licensed spaces in centres and family homes

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BC can also phase in funding by age group. The goal is to eventually create a sufficient number of spaces for most children twelve and under.

The annual net public investment to provide child care for children in each age group is:

- For 1-2 yr olds \$540 million needed
- For 3-4 yr olds \$270 million needed

Out of school programs

- For 5 yr olds \$45 million needed
- For 6-12 yr olds \$345 million needed

Funding must come with accountability

It is not just about the money – it's also about how the money is spent. Funding needs to go to child care programs tied to meeting three clear goals - lowering fees, raising wages and adding the spaces that the community plans and prioritizes.

A sound investment

- Studies from Canada and around the world show that public spending on quality, universal early learning and child care programs is a social investment that returns upwards of \$2 for every \$1 invested.
- Providing quality, affordable child care increases the participation of mothers in the labour force. This contributes to their long-term economic security, and provides higher tax revenues and relief from current labour shortages.
- Research shows that children who receive high quality child care need less public funds later in life for education, employment, and social programs.
- High quality child care is good for children now and in the long term. It leads to early identification of extra support needs, improved social development and academic achievement, less problem behaviours, a lower likelihood of committing crimes or requiring public assistance and a higher likelihood of succeeding in school and the labour market.

For a detailed costing model of a universal child care system for BC please see: http://www.cccabc.bc.ca/cccabcdocs/pdf/cccabc_costing_model.pdf

Note: Figures presented above are net annual costs by age group and based on the model at the link provided, which provides gross annual costs by age group and net total costs.

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