

Financing Canada's Child Care System



A Letter to Ken



Dear Ken,

- 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

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



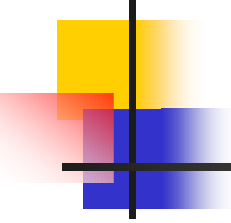
A Public Service

- 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

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



Funding on the supply side rather than the demand side

- 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

- 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

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



Phasing-In

- 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

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



Thanks, Ken

- 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