

PRESS STATEMENT - GORDON CLEVELAND, MARCH 5, 1998

This study is about the care we provide to young children, between 2 and 5 years of age. It is a benefit-cost analysis, done by economists, which makes a judgement about whether good quality early childhood education is a good place to invest public dollars, or not. Our conclusion is clear; the benefits to children, to families, and to society which come from good quality developmental care for our children are twice as large as the costs incurred.

This study was sponsored by the Child Care Advocacy Association of Canada and funded by Child Care Visions of Human Resources Development Canada. Neither of them are, of course, responsible for any conclusions in the study. The study evaluates the benefits and the costs of a publicly-funded child care program, with a 20% parental contribution, available to all two-to-five year olds in Canada, no matter what the employment status of their parents. This would be a high-quality preschool program, developmentally and educationally-oriented, that would help to ensure improved school-readiness of children while providing good care and enjoyable preschool experiences for children.

The study reviews the economic approach to considering issues of public policy and analyzes some of the problems with treating the care of young children as a purely private good. The study then reviews research results from a range of child development studies which assess the magnitude of long-term effects of early childhood education on preschool children. We then consider the numerous studies by economists of the nature and magnitude of the effects of good child care on the short and long-run employment decisions of mothers. All these are drawn together in a chapter which uses this evidence to calculate the dollar value of the benefits to children and to families and the overall costs of this kind of early childhood education program.

What are the benefits of good child care for children? The child development literature we review breaks the answer into three parts, referring to three groups of children. Children who currently are cared for exclusively at home can benefit from a part-day structured preschool experience. They will develop more quickly and do better in school as a result. Children from low-

income or single-parent families or who have special learning needs have been most extensively researched. Both parents and children are likely to benefit. Children are likely to do better in school, less likely to be held back in grade, and less likely to engage in a series of negative behaviours in the future if they have good preschool experiences. The biggest benefit to most children, however, is the benefit of moving from informal low-cost, low-quality regular child care arrangements into good quality early educational experiences. The child development literature suggests that the quality of child care matters and that the cognitive, language, social and other skills of children are improved by good preschool experiences.

This is not a study about what the exact design of a child care program should be. We do not offer any opinion about what the respective funding and organizational roles of federal and provincial governments should be. Although we suggest that this kind of program could be phased in over time, we do not try to work out these details. This study is intended to be the beginning of a discussion rather than its end.

What is the basic point of this study? It is a lesson which the majority of European countries learned years ago. If it makes sense to spend considerable public dollars on the education and care of children when they are six years of age, it almost certainly makes sense to spend considerable public dollars on the education and care of children when they are much younger. Young children, 2-5 years of age, need good quality preschool education and care; they need loving, supportive, developmental care. Most of our young children in Canada do not get this care. Most families piece together a series of more-or-less haphazard and changing arrangements during children's preschool years. They get very little public support in raising their children, and these are years in which a young family has very little income to spare. In Canada, when a child reaches age six (and part-days at age five), a miraculous transformation occurs and public dollars are lavished on giving children education. We believe our study shows that early childhood education is a prudent and sensible way to invest public funds, and that the benefits of concentrating educational dollars on early childhood have been neglected.

The overall costs of this kind of early childhood education are not small. In

this study, we consider a program which would apply to all 1.6 million children in Canada 2-5 years of age. The child development research convinces us that good quality care by skilled caregivers and teachers is essential, so we estimate the annual full-time cost per child at \$8,500. Across all 1.6 million children, the annual cost to the public purse of a fully developed program would be slightly over \$5 Billion per year.

Fortunately, the overall benefits are quite large, large enough to more than offset these costs. There are estimated to be substantial benefits in many forms to children from all social groups, and no matter what the employment status of their parents. Further, the provision of good quality, reliable and affordable child care will allow some mothers to maintain a stronger labour force attachment while their children are young. There are both immediate and long-term benefits, family and social benefits, of this increased employment. The total of all these benefits we calculate at over \$10 Billion per year.

The focus of this study is on children and on families. Children can and should benefit from early education whether their mothers are currently in the paid labour force or not. The truth of the matter is that over three-quarters of all children one and a half to five years of age are currently in regular non-parental arrangements. Only a minority of these are in arrangements with trained caregivers having a developmental/educational orientation. Evidence, most of it from the U.S., but some of it from Canada, suggests that the typical quality of care received in these arrangements is custodial, rather than developmental. Prevailing Canadian child care arrangements are failing to provide for our childrens' futures in the way that we could. Our study shows that an investment in early childhood education is clearly worthwhile.