

# **FINANCING EARLY LEARNING AND CHILD CARE IN CANADA – brief summary**

**Professors Gordon Cleveland and Michael Krashinsky,  
Division of Management, University of Toronto at Scarborough**

Apart from Quebec's recently-developed system and kindergartens in the schools, early childhood care in Canada is a market service, supplemented by the subsidization of low-income families. Because of the public benefits from providing appropriate developmental care for our young children and positive supports to employment for young families, early learning and child care should be a publicly-financed service. This financing must be provided in a way that supports services, is carefully monitored and publicly accountable, distributes benefits equitably, and spends scarce public resources efficiently.

Because the public benefits from early learning and care are dependent upon the developmental quality of the services, financing must be designed to promote quality. Quality is difficult for individual families to assess. Funding provided directly to services can be used to promote quality more readily than funding provided directly to individual families. Non-profit status is not a guarantee of quality, but, on average, non-profit facilities provide better care, and providing substantial public funding to commercial providers is unlikely to promote either public accountability or higher quality of services.

Since individual families benefit from early learning and child care, and because the costs of care are high, it is not unreasonable to plan for some parental contribution for pre-kindergarten age services. The flat daily fee system in Quebec has much to recommend it. The federal government has taken a major financial initiative towards developing a national child care plan. If a system is to be developed, the federal role will have to be considerable, while other jurisdictions will need to contribute substantial amounts as well.

Because preschool learning and care (3-5 years) is an important priority for many families, because the costs of care for older children are much lower than for younger children, and because the precedent of public provision of education to preschoolers is already well established, it may be wise to place public priority on the development of early learning and child care services for children at age five, age four, and then age three and two. Initially, this will require developing innovative models that integrate existing kindergarten services with the broader concepts of learning that characterize child care.