

Child Care



BULLETIN

sur les Garderies

Child Care



April 29, 1988

Canadian Child Care Advocates Converge on Edmonton Meeting  
Provincial Day Care Directors Meet with Advocates  
Federal Negotiators Refuse

New evidence decisively showing that the federal government's National Strategy on Child Care is a containment strategy and not an expansion strategy was the subject on the minds of Canadian child care advocates in Edmonton on February 14th. The delegation included advocates from across Canada: Nova Scotia, Quebec, Ontario, Saskatchewan, Alberta, including representatives of provincial coalitions, the Canadian Day Care Advocacy Association, the National Action Committee on the Status of Women and Saddle Lake Reserve.

Child care advocates appeared at the multi-lateral meeting between provincial day care directors and federal officials from the Department of Health and Welfare to deliver their message.

The advocates had uncovered a document prepared for the Special Committee on Child Care which was not released as part of the background documentation. This document informs the MPs that 72% of Canadian families with children under 6 (and presumably about the same percentage for children from 6 to 12) could potentially receive daycare subsidies under the Canada Assistance Plan. (CAP).

Secondly, a document prepared for Department of Health and Welfare in 1985 states that if the CAP cost-sharing provisions were fully used by the provinces, spending on child care for preschool children could rise to \$3.6 billion per year. Compared to this potential federal liability the proposed new strategy will be limited to \$1 billion per year after seven years - a real bargain for the federal government - a bad bargain for child care!



And thirdly, Department of Health and Welfare officials have now confirmed that the 200,000 "subsidized" spaces promised in the federal statement include spaces with any kind of subsidy and are not necessarily like the more generous subsidies for low-to-middle income Canadians currently being funded under the Canada Assistance Plan. In other words the new "subsidized" spaces may be only two or three dollars cheaper than regular child care, doing very little to make child care more affordable. This is in contrast to the statement made by Jake Epp in the House on December 3rd when he clearly implied that the increased 200,000 subsidized spaces would be similar to the 100,000 full or close to full subsidies which now exist for lower income Canadians.

All of this evidence indicates that the federal government was fully aware of the potential of the open-ended funding under CAP; that the new program was aimed at curtailing those possible expenditures and that provinces who have ambitious plans to deal with the demand for child care over the next decade will reach real stumbling blocks by 1991 or 1992.

In fact, we project that the number of subsidized spaces will not triple over the next seven years as Mr. Epp professes (from 100,000 to 300,000). The number of truly subsidized spaces i.e. with all or more than half of the cost paid by the government will not even double and may not even rise by 50% over the next seven years. This is a lot less than the current rate of growth, than the needed rate of growth, or than the federal government's estimation of increased spaces.

The only way the government can ensure a growth of 200,000 spaces is by ensuring that these are "very partial" subsidies and not the deeper subsidies to low-to-middle income Canadians that currently exist. The problem is, then, that this program may offset the increased costs to some middle-to-high income Canadians but will not ensure that low-to-middle income Canadians - for whom there are currently not enough subsidized day care spaces - will receive very much more under the new Strategy.

Child care advocates across Canada are now even more concerned. The National Strategy on Child Care is not a strategy but a band-aid measure; it limits the amount of dollars available for expansion and will not, in the long run, encourage expansion and improvement of the system.



## THE DISMAL ECONOMICS OF THE FEDERAL CHILD CARE STRATEGY

From 1995 on, when the new Federal Child Care Strategy has hit its stride, there will be \$1 billion federal dollars each year to spend on Child Care.

Of this, about \$400 million will go the tax relief, only \$600 million will be available for operating grants, subsidies to parents or anything else.

In 1986, the federal government contributed \$140 million under the Canada Assistance Plan as its 50% share of about 80,000 (or fewer) child care subsidies. By now, there are about 100,000 federally subsidized spaces. The federal cost under CAP is easily \$150 million.

The cost of child care is going to rise as wages rise and as quality (we hope) improves. It is hard to know how fast and how far costs will rise. Remember that both pay equity considerations and the higher demand for child care staff mean that wages will rise faster than inflation, which itself is 4% per year. Many people think that a 10% rise per year over the next 7 years is a reasonable guesstimate. If costs rise 10% per year, the overall cost of a child care space will have doubled by 1995.

A doubling in the cost of child care implies that the dollars only go half as far. So just to finance the 100,000 currently existing subsidized spaces will cost about \$300 million a year by 1995.

To double the number of subsidized spaces to 200,00 would require all of the \$600 million per year, even if no federal money at all were spent on operating grants.

But provinces and child care advocates will of course want federal money to share operating grant costs.

So, subsidized spaces cannot double. In fact, growth in subsidized spaces will slow dramatically and will probably not rise by even one-half over the seven years, i.e. less than 50,000 new subsidized spaces.



HOW MUCH CHILD CARE WILL \$1 BILLION BUY IN 1995?

Federal money for child care in 1995	\$1,000 million
Tax Relief	400 "
Amount left for child care subsidises and operating grants:	600 "
Cost to federal government of 100,000 new subsidized spaces, plus the 100,00 that currently exist	600 "
Amount left for operating grants:	\$ 0

New federal strategy will finance:

- 100,00 new subsidized spaces
- No operating grants
- No ongoing capital grants
- Nothing else

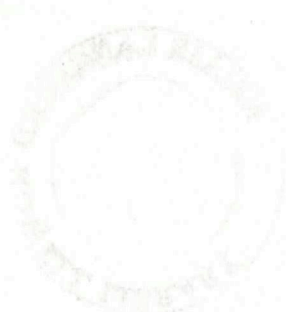
OR

Operating grants of about \$3.00 per day (federal share) on all spaces

But no additional subsidized spaces

No ongoing capital grants

Nothing Else!





## CHILD CARE PICTURE CAMPAIGN WINDS UP IN OTTAWA

### PRIME MINISTER REFUSES TO ACCEPT INVITATION TO VIEW PHOTOS

The Prime Minister refused to attend the Exhibition of the Child Care Picture Exhibition in Ottawa on April 22-24. Two giant photo albums had travelled across Canada between February 27 and April 22, 1988, collecting pictures of children and statements from workers and parents about the government's proposed National Child Care Strategy. Events demonstrating advocates' opposition to the Government's Child Care Plan were held in every province, in large communities and small.

These photos were on exhibition at the Canadian Day Care Advocacy Association's conference in Ottawa on April 22-24, 1988 and the Prime Minister was asked to attend the Exhibit and see just what Canadian parents and child care workers thought of the government's Plan!

The Picture Book travelled across the country and at every stop, women's groups and child care activists organized events - from open houses at local day care centres, to press conferences, to displays and booths in malls, to a bonfire burning the briefs submitted to the Special Committee in Windsor to a shredding ceremony in Edmonton, where they shredded the briefs presented to the Special Committee and ignored by the federal government.

If you still have photos to add to the Book or the Exhibition, please mail them to the NAC Office. We will continue our attempt to present this important pictorial statement to Jake Epp and Brian Mulroney over the summer.

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The NAC Child Care Committee is currently based in Toronto with corresponding members from across Canada. If you are interested in joining or working more closely with the Committee, please call Susan Colley c/o NAC Office or telephone (416) 532-4031. If you would like more information about NAC's work on the child care issue, please send your name to the NAC Office for inclusion on the mailing list.  
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