

Is there really a daycare shortage?

A Toronto case study shows vacancies despite waiting lists and subsidies

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EXECUTIVE SUMMARY

Canadians often hear about the apparent need for more licensed daycare spaces. News stories about waitlists in big cities give the impression of a daycare crunch. Even when additional spaces are announced, the public is reminded that it's never enough.¹ But what if the daycare shortage is not so much a shortage of spaces as a shortage of children in them?

In this report, we examine daycare demand and availability using the city of Toronto as a case study. Vacancy data shows that rather than a shortage of spaces in Toronto, there has actually been a surplus.

This evidence is routinely obscured through use of three proxy measures of daycare demand that overstate true demand. In response, government funding for daycare has risen faster than enrolment.

All children need early learning and child care (ELCC) twenty-four hours a day, seven days a week. That need is met in a variety of ways including by parents themselves. Public policy, however, usually focuses on one type of care—institutional daycare—to the disadvantage of those who prefer other forms of ELCC.

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DEFINING TERMS

EARLY LEARNING AND CHILD CARE (ELCC) encompasses all forms of care for children including parental care.

PRESCHOOL (NURSERY SCHOOL) includes group settings for children under school age that are part-day and part-week unaccompanied by a parent/guardian

DAYCARE is licensed group care in a daycare centre excluding preschool.

REGULATED CHILD CARE is a broader category that includes all care regulated by provincial government. Of note, all ELCC is parent-regulated.



Unions help create hype around the purported lack of spaces by sponsoring public awareness campaigns like the one pictured above at bus shelters. This ad suggests, using teddy bears in glass cases, that only one in five children have access to licensed daycare. (Photo credit: Eloise Cataudella)

THE PROBLEM WITH MEASURING DAYCARE DEMAND

Proponents of more government-funded institutional daycare argue that demand for daycare centres remains high. Three proxy measures are often cited to support this claim, but each of these measures is problematic.

First, proponents argue there is a shortage of daycare because there are “regulated spaces” for only 20 percent of children under six years old.² This includes spaces in daycare centres, preschools, and regulated home daycares.

Proponents argued in a recent report: “In 2012, there were full- or part-time centre-based childcare spaces for only 22.5% of Canadian children 0-5 years... Although the coverage rate has been creeping up steadily, there is still a very sizeable gap between need and provision.”³ The problem with this logic is that, while it is true that all children need ELCC, it does not follow that all children need a space in a daycare centre. ELCC takes many forms, including parental care, but daycares garner the most policy attention and public funding. Daycare proponents sometimes go so far as to use the term “child care” interchangeably with daycare. This is inaccurate and ignores the fact that parental care and other forms of family care are indeed “child care” too.

1. For example see Hammer, K. (2014, June 23). Daycare demand soaring in Toronto region as YMCA adds more spaces. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/toronto/ymca-to-expand-daycare-services-in-the-gta/article19304470/>
2. See Canadian Labour Congress (©2009). Childcare [website]. Retrieved from <http://www.canadianlabour.ca/issues/child-care>
3. Ferns, C. & Friendly, M. (2014, June 20). The state of early childhood education and care in Canada 2012. Toronto: Childcare Resource and Research Unit. p. 2. Retrieved from <http://www.childcarecanada.org/sites/default/files/StateofECEC2012.pdf>



Many parents, including mothers in paid work, do not seek out daycare spaces because they prefer other forms of child care. The assumption that every child needs a daycare space is vastly inaccurate and out of line with the diverse ambitions of Canadian parents.



The estimate that there are regulated spaces for only 20 percent of children is therefore not terribly meaningful. It is also a low estimate when you consider the impact of full-day kindergarten. In Ontario, when full-day kindergarten spaces are added to the daycare centre spaces for children approximately five and under,⁴ there are institutional ELCC spaces for roughly 50 percent of 0 to 5 year olds.⁵

Second, proponents point to the significant percentage of mothers in paid work as an indicator of demand for daycare.⁶ They assume without factual basis that all require centre-based care.

Daycare proponent Martha Friendly and coauthors write, “In 2012, the labour force participation rate was 69.7% for mothers whose youngest child was 0-2 years, 76.6% for mothers with a youngest child 3-5 years, and 84.0% for those whose youngest child was 6-15 years.”⁷

The implication is that there is a high demand for centre-based care. The problem is that “labour force participation” is a broad term that does not equate with demand for daycare. Statistic Canada’s labour force participation measure

captures individuals who:

- are on paid or unpaid leave from a job
- work part-time
- do unpaid work in a family farm or business
- are unemployed and looking for work
- do paid work while caring for their children
- do paid work outside of daycare centre hours
- do paid work full or part-time but do not prefer centre-based care.⁸

Over one third - 38% - of Ontario children age 0 to 5 years old in 2012 have a mother who is not employed and is not included in the labour force participation measure.⁹

Mothers who participate in paid labour do so 16 hours per week less on average than fathers.¹⁰ Many mothers in the labour force are working part-time or for part of the year.¹¹ It is also important to note that many mothers have more than one child. Therefore, the percentage of children with a mother in the labour force is lower than the labour force participation rate for mothers. The bottom line? Many parents, including mothers in paid work, do not seek out daycare spaces because they prefer other forms of child care.

4. For the number of children five and under: Statistics Canada CANSIM Table 051-0001 Estimates of population, by age group and sex for July 1, Canada, provinces and territories. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510001&paSer=&pattern=&stByVal=1&p1=1&p2=37&tabMode=dataTable&csid=>

5. “About 50 percent” was derived using the Ontario 2014 population estimates by age group and sex for July 1, Canada, provinces and territories, link in footnote four, the number of students enrolled in full day kindergarten in 2014 and the Ontario 2012 number of regulated daycare spaces. Sources: Ontario Ministry of Education, Education Facts, 2013-2014 (Preliminary). Retrieved from <http://www.edu.gov.on.ca/eng/educationFacts.html#enrol> and Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education and care in Canada (9th ed.). Toronto: Childcare resources and research unit. p. 28. Retrieved from http://www.childcarecanada.org/sites/default/files/CRRU_ECEC_2012_revised_dec2013.pdf

6. See Canadian Labour Congress (©2009). Childcare [Website]. Retrieved from <http://www.canadianlabour.ca/issues/child-care> “Almost 70% of mothers with children under five are working.”

7. Ferns, C. & Friendly, M. (2014). The state of early childhood education, p.2.

8. Statistics Canada (2013). Guide to the Labour Force Survey, 2013, pp. 7-9. Retrieved from www.statcan.gc.ca/pub/71-543-g/71-543-g2013001-eng.pdf See also economics professor Chris Sarlo on labour force dynamics in Institute of Marriage and Family Canada (2013, Oct). Canadian daycare desires Part III. Ottawa: IMFC. p. 4. Retrieved from http://www.imfcanada.org/sites/default/files/DaycaredesiresIII_Education.pdf

9. Calculations by the author based on Table 7, p.61 & Table 8, p. 62 from Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education.

10. Canadian Broadcasting Corporation (2014). The second shift. Thoroughly modern motherhood. *Doc Zone*. Retrieved from <http://www.cbc.ca/doczone/features/thoroughly-modern-motherhood>

11. *Ibid.*



Directing massive subsidies towards institutional daycare spaces is inequitable and ignores the majority of low-income Canadian families and their specific child care needs.



The assumption that every child needs a daycare space is vastly inaccurate and out of line with the diverse ambitions of Canadian parents.

Third, proponents often cite long waitlists for centre-based care as an indication of space shortages.¹² The problem is that parents are encouraged to join multiple waitlists, often as soon as they learn they are expecting. One source states, “As soon as possible after finding out you are pregnant...Check out the options in your area for regulated child care and put your name on multiple waiting lists.”¹³ Toronto’s much talked about fee subsidy waitlist accepts unborn children, those intending to move to Toronto, those now in daycare who would like to change centres, and those who want it in the future - with no limit on how far in advance.¹⁴

Ottawa’s civic Auditor General commenting on that city’s daycare waiting list in 2009 said the list does not provide an accurate picture of daycare demand “because it is not routinely updated and includes children who are not yet born.”¹⁵ Inflated lists are a problem for parents and for daycare providers who don’t have updated information.

THE RISE IN DAYCARE SPENDING

Proponents’ claim that we need more daycare spaces has resulted in substantially more public funding, which continues to grow.

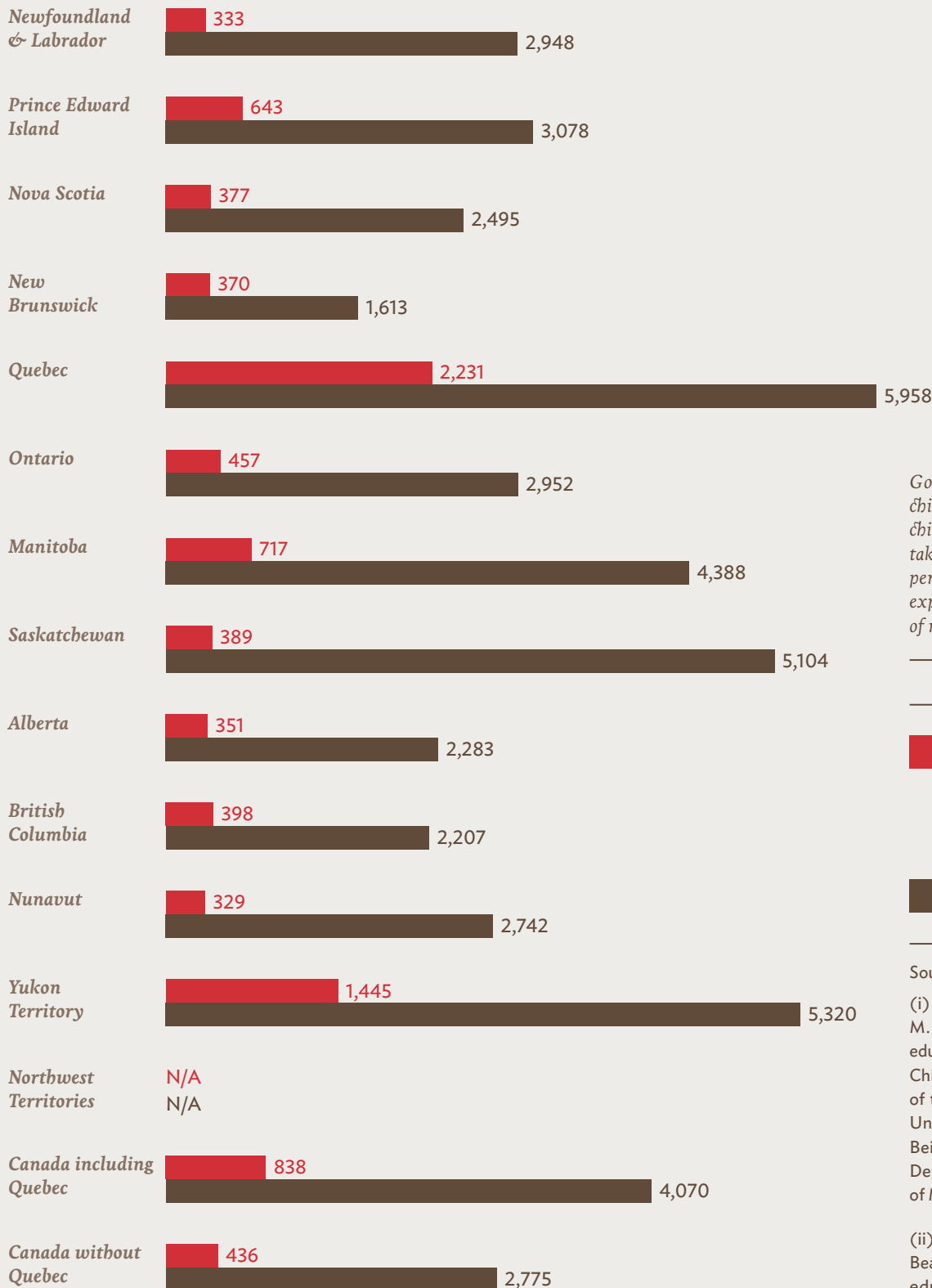
Daycares receive considerable funding that goes not to children, but to spaces. Government funding also goes toward fixed capital costs, monitoring, administration, training, and janitorial services required for the care of large numbers of children.

In Toronto, user fees cover only a fraction of the costs. According to a 2015 city budget document, user fees cover a mere 5 percent of space-system costs excluding capital expenditures.¹⁶

Today in Canada, public funding for daycare spaces comes primarily from the provinces but also includes federal support. Many municipal governments provide additional funds or in-kind support in the form of land or free rent. Publicly funded institutions such as universities and hospitals can also provide cash or in-kind support.

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12. See Mojtehdzadeh, S. (2014, Nov. 10). GTA child-care costs tops in national study. Toronto Star. Retrieved from http://www.thestar.com/news/gta/2014/11/10/gta_childcare_costs_tops_in_national_study.html The City of Toronto also uses waitlists to measure demand: “The size of the waiting list for a subsidized space also provides an indication of demand.” See City of Toronto (2012). Children’s services 2012 performance measurement and benchmarking report. p. 5. Retrieved from www1.toronto.ca/City%20Of%20Toronto/City%20Managers%20Office/Toronto%20Progress%20Portal/Files/pdf/OMBI%20Reports/2012%20OMBI%20Service%20Areas/Children%27s%20Services.pdf
 13. Childcare Resource and Research Unit, and the Canadian Union of Postal Workers (n.d.). Do’s and don’ts. *Finding quality child care* [website]. Retrieved from <http://findingqualitychildcare.ca/index.php/do-s-and-don-ts>
 14. See City of Toronto (2015). Applying for fee subsidy. Children’s Services [website]. Retrieved from <http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=198b5f2bda51f310VgnVCM10000071d60f89RCRD&vgnextchannel=bcd25e0076113410VgnVCM10000071d60f89RCRD> “Child care fee subsidy- Frequently asked questions”<http://www1.toronto.ca/wps/portal/>
 15. Dare, P. (2009, Nov. 26). Subsidize families, not care agencies; Current system can’t ensure help goes to most deserving. *Ottawa Citizen*, p. C3.
 16. City of Toronto (2015). Toronto city budget 2015: Operating analyst notes, children’s services. p. 3. Retrieved from http://www1.toronto.ca/City%20Of%20Toronto/Strategic%20Communications/City%20Budget/2015/PDFs/Operating%20Analyst%20Notes/ChildrenServices_op_Jan18.pdf

Figure 1. Government monies per child, contrasted with actual allocations per regulated childcare space by province/territory, 2011/2012



Government monies for regulated child care are not given to parents per child. The red is a theoretical allocation, taking monies for spaces and creating a per child amount. The brown is the total expenditure divided by the total number of regulated spaces.

LEGEND

- If money spent on regulated child care were allocated per child, this is the amount each child 12 years old and under would get. (i)
- Dollars allocated per regulated childcare space (ii)

Sources:

(i) Figure 7 in Ferns, C. and Friendly, M. (2014). The state of early childhood education and care in Canada 2012. Moving Childcare Forward Project (a joint initiative of the Childcare Resource and Research Unit, Centre for Work, Families and Well-Being at the University of Guelph, and the Department of Sociology at the University of Manitoba). Toronto, p. 12.

(ii) Table 14 in Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education and care in Canada 2012. Toronto: Childcare Resource and Research Unit. p. 68.

When looking at provincial funding alone, the average spent annually on regulated child care in 2011/2012 by the provinces is \$838 per child under 12 years old. This amount falls to \$436 when excluding Quebec where daycare is heavily subsidized. The average for Ontario is \$457 per child.¹⁷ Ontario's highest cost was in Toronto at \$1090 per child.¹⁸

Of course, not every child in Toronto receives \$1090 in funding each year. Funding does not go to children at all but is funneled to daycare spaces. Each subsidized daycare space in Toronto receives an average of \$5894 annually.¹⁹ If

all children used daycare spaces equally there would be no gap between funding averaged *per space* and *per child*. The large gap demonstrates that the vast majority of children - including low income children - are not in the funded spaces and receive none of this funding for their care. The majority of this funding supports the minority of families who use daycare centres.

The inequity is stark. Many children under age 12 don't benefit from ELCC funding because they are not in regulated daycare. The minority of children who are in daycare centres access

Table 1. Estimate of provincial expenditures on regulated childcare spaces, 2012 Dollars*

	1992	2001	2009/2010	2011/2012
ONTARIO	\$604,664,000	\$566,233,000	\$855,956,667	\$865,100,000
CANADA (AVERAGE)	\$1,096,609,000	\$2,370,032,000	\$3,732,696,996	\$4,016,815,891

*excludes municipal and federal support and funding and has been adjusted to 2012 numbers

Source: Table 11 from Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education and care in Canada 2012.

Toronto: Childcare Resource and Research Unit, p. 65.

Table 2. Percentage of children in centre-based daycare, Canada, 1994/95, 2000/01, 2011

	1994/1995 ⁱ	2000/2001 ⁱ	2011 ⁱⁱ
CANADA	8%*	12%*	18%**

*children 6 months to 5 years old

** children 0 to 4 years old

Source: (i) Bushnik, T. (2006, April). *Child Care in Canada*. Children and Youth Research Paper Series. Ottawa: Statistics Canada. p. 97.

Retrieved from <http://publications.gc.ca/Collection/Statcan/89-599-MIE/89-599-MIE2006003.pdf>

(ii) Calculations by author based on data from Sinha, M. (2014, Oct). *Child Care in Canada*. Ottawa: Statistics Canada, Table 1, pg. 7. The calculation of the 18% is based on all children including those who are in parental care. According to the Sinha report, 54% of parents with children aged 4 and under used regulated child care (pg. 4). Sinha's Table 1, pg. 7 says 33% of children ages four and under whose parents use child care are in a day care centre. Retrieved from <http://www.statcan.gc.ca/pub/89-652-x/89-652-x2014005-eng.pdf>

Note: Child care in Bushnik 2006 means care stipulates care while respondents were working or studying. Child care in Sinha 2014 means non parental care without stipulating whether care occurred while respondents were working or studying.

17. See Figure 7 in Ferns, C. and Friendly, M. (2014). *The state of early childhood education and care in Canada 2012*. Moving Childcare Forward Project (a joint initiative of the Childcare Resource and Research Unit, Centre for Work, Families and Well-Being at the University of Guelph, and the Department of Sociology at the University of Manitoba), p. 12. Retrieved from <http://childcarecanada.org/sites/default/files/StateofECEC2012.pdf> Note: substantial provincial funding in the province of Québec significantly increases the Canadian average.
18. See chart 4.2 in City of Toronto (2012). *Children's services 2012 performance measurement and benchmarking report*. p. 3. Retrieved from <http://www1.toronto.ca/City%20Of%20Toronto/City%20Managers%20Office/Toronto%20Progress%20Portal/Files/pdf/OMBI%20Reports/2012%20OMBI%20Service%20Areas/Children%27s%20Services.pdf>
19. See chart 4.10 in City of Toronto (n.d.). *Children's services 2012 performance measurement and benchmarking report*. p.6. Retrieved from <http://www1.toronto.ca/City%20Of%20Toronto/City%20Managers%20Office/Toronto%20Progress%20Portal/Files/pdf/OMBI%20Reports/2012%20OMBI%20Service%20Areas/Children%27s%20Services.pdf>

the bulk of government funding. Regulated spaces across Canada receive an average of \$4,070 a year from provincial funds alone.²⁰ Since wealthier families are more likely to have their children in daycare, not only does the system pick winners and losers, government subsidies do not necessarily help those who need it most.²¹

Regulated home-daycares and most preschools/nursery schools are counted as “regulated childcare,” but they receive far less funding than daycare centre spaces.²² Thus, daycare centre spaces actually receive more public funds than the above numbers indicate.

Despite this inequitable support, funding for daycare centres has been increasing for years. Consider that between 1992 and 2012, provincial daycare funding in Canada increased by \$2,920,206,891 – almost three billion dollars. It appears that government funding for ELCC is increasingly being funneled inequitably to a select minority of children.

Funding in Ontario increased during the same period by 43 percent,²³ but this excludes the estimated \$1.5 billion now spent annually on full-day kindergarten.

RISE IN DAYCARE SPENDING OUTPACING ENROLMENT

Determining enrolment in daycare centres can be difficult, as the data is collected but not publicized. Three Statistics Canada reports that rely on major surveys provide data on

enrolment in different forms of child care. While provincial funding for centre-based care has increased an estimated 266 percent over approximately two decades, enrolment in such centres as a percentage of all young children has increased only an estimated 125 percent.²⁴

TORONTO'S DAYCARE VACANCIES: HIDDEN EVIDENCE

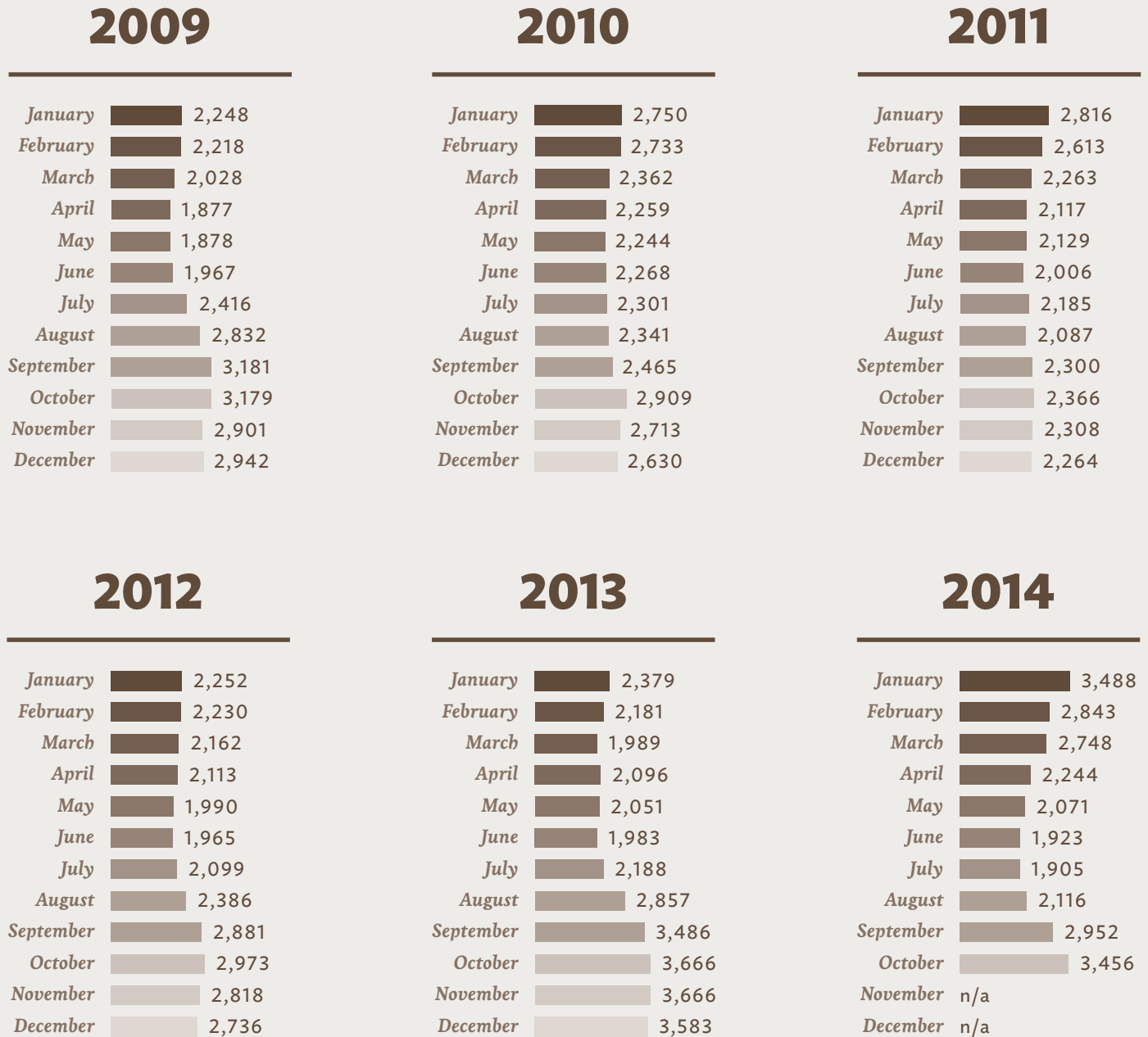
This brings us to the problem of daycare vacancies. Here the city of Toronto serves as a case study. Vacancies in daycare are a well-guarded secret. The City of Toronto collects and publishes vacancy data and other information monthly from over 900 childcare centres in the city. Previously the data was easily accessible on the City's child services website. Detailed information on vacancies in each centre was updated at least twice a month. This data was intended to help parents easily find available spaces.

Currently vacancy data is difficult to access. The City now advises parents to contact each centre individually. Vacancy rates can be calculated, however, by combining information from the children's services website and data published through Toronto's Open Data website.

Between January 2009 and October 2014, the total number of vacancies among all age groups in Toronto daycare fluctuated from a low of 3.58 percent to a high of 6.64 percent.²⁵ By way of comparison, the rental apartment vacancy rate in Toronto as of October 2014 was 1.6 percent.²⁶

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20. See table 14 in Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education, p.68. Retrieved from http://www.childcarecanada.org/sites/default/files/CRRU_ECEC_2012_revised_dec2013.pdf
21. Sinha, M. (2014, Oct). Child Care in Canada. Ottawa: Statistics Canada, p.6. Retrieved from <http://www.statcan.gc.ca/pub/89-652-x/89-652-x2014005-eng.pdf>
22. Friendly, M., Halfon, S., Beach, J. & Forer, B. (2013). Early childhood education, p. 26.
23. Calculations by author based on Table 11 in Friendly, Halfon, Beach, & Forer (2013). Early childhood education, p. 65.
24. Calculations based on Table 1 and Table 2.
25. Vacancy rates calculated by the author using daycare capacity and vacancy data in the city of Toronto. Capacity data retrieved from, City of Toronto (2015). Children's services division: facts and figures [website]. Fact sheets Summer 2008 to January 2015. Retrieved from <http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=4b2ad25ed83ae310VgnVCM10000071d60f89RCRD&vgnextchannel=d80e8ed34ce9e310VgnVCM10000071d60f89RCRD> Vacancy data retrieved from City of Toronto (2015). Number of vacant licensed spaces and wait list for child care fee subsidy. Toronto Open Data [website]. Retrieved from opendata.toronto.ca/city.manager/performance.management/PM_Childrens_Services.xls
26. Canadian Mortgage and Housing Corporation (2015). At a glance: Toronto. Housing Market Information Portal [website]. Retrieved from <https://www.O3.cmhc-schl.gc.ca/hmiportal/en/#Profile/2270/3/Toronto>


Figure 2. Number of vacant licensed childcare spaces in Toronto, 2009 to 2014



Source: City of Toronto (2015). Number of vacant licensed spaces and wait list for child care fee subsidy. Toronto Open Data [website].



Vacancy rates in daycares are a well-guarded secret.



In terms of actual vacant spots, a low of 1877 spots were available in April 2009 and a high of 3666 spots were open in October and November of 2013. These numbers do not include vacancies in the 1,100 city regulated family home daycares because the data is not available.

It is in the best interest of the city to fill its daycare spaces. Vacancy means lost revenue. If vacancy rates in Toronto are persistently evident, why is so much media coverage about waiting lists and shortages?

It is difficult to quantify how many parents have trouble finding ELCC or are unable to find ELCC altogether. As indicated, waitlists are a problematic measure of need.

It may be finding 'high quality' care is difficult because much care is deemed mediocre. Parents might not receive the preferred care they are looking for and timing of entry into care is unnecessarily complicated because of the inefficient waitlist system.

Waitlists for subsidized spaces remains high. It could be argued that increasing funding for subsidized care would lower both the subsidy waiting lists and vacancy rates. Again, these lists are problematic, but if lowering the subsidy waitlist is a challenge, it hasn't been a priority.

In the wake of the full-day kindergarten rollout, some daycares were forced to restructure or close because of the sudden decline in older children. The province opted to compensate centres for lost revenue created by the full-day kindergarten program. This funding could have been directed to subsidizing spaces.

The subsidy system could be restructured. The subsidy system could be restructured. Currently a family with one child under 18 months and with income under \$20 000 a year could receive a subsidy of \$1348.50 a month in Toronto.²⁷ Restructuring would mean some parents would have to cover more of the cost of their child's care, but more parents could participate in the program. If a single parent making only \$20,000 a year in Toronto wanted access to daycare, he or she would certainly need help and restructuring could open up more subsidies for those who truly need it.

A federally funded report entitled *You Bet I Care!* was published in 2000. While the information is now dated, some of Canada's leading proponents for institutional daycare came to the conclusion that 53.7 percent of daycare centres Canada-wide reported vacancies. Of those, 30.6 percent had vacancy rates of over 10 percent. Operators cited high fees, less demand for centre-based care and increased market competition amongst factors contributing to the vacancies.²⁸

27. Calculated using the Toronto Child Services Fee Subsidy Calculator at <http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=976c2ea35be3f310VgnVCM10000071d60f89RCRD&vgnnextchannel=6d3e8ed34ce9e310VgnVCM10000071d60f89RCRD>

28. Doherty, G., Lero, D. S., Goelman, H., LaGrange, A. & Tougas, J. (2000). *You Bet I Care! Report 1 - A Canada-wide study on Wages, Working Conditions, and Practices in Child Care Centres*. Guelph: Centre for Families, Work, and Well-Being, University of Guelph. pp. 167-68. Retrieved from http://www.ccscc-ssge.ca/sites/default/files/uploads/Projects-Pubs-Docs/ybic_report.pdf

The report bluntly notes, “Vacancy rates of this magnitude make it extremely difficult to sustain financial viability.”²⁹

Unfortunately, daycare vacancy rates, enrollment, and quality data are not readily available to parents or to the policymakers who make funding decisions. This information must be made more easily available to both.

HONOURING PARENTAL PREFERENCE

All children need ELCC. This takes many forms, including parental ELCC. The emphasis on centre-based care does not respect parental preferences.

The preferential funding granted to centre-based daycare discriminates against parents using other forms of ELCC, and makes parental care the most expensive option. It is as if, at massive taxpayer expense, the government built subsidized cafeterias. No doubt ‘demand’ for cafeteria food would rise as people opted for cheap or free cafeteria food. But what people actually *prefer* is completely ignored. And many paying for the service through taxes would be left out due to dietary concerns, diverse values, and scheduling challenges.

Likewise, subsidizing daycare centres artificially lowers the very high price of that form of ELCC. Daycare centres are the most costly form of care because of considerable capital, administrative, training, regulatory and janitorial requirements. Parents paying full fees may rightly feel fees are high, but their fees still do not cover costs.

In contrast, the cost of parental ELCC is paid by the parents themselves. Parental ELCC results in substantial lost income due to reduced time spent at paid work. The amount of this “opportunity cost” in wages, benefits, promotions, and pensions is a real cost. The opportunity cost for a parent



Directing massive subsidies towards institutional daycare spaces is inequitable and ignores the majority of low-income Canadian families and their specific child care needs.



to care for a child at home is typically far higher than the price paid by other parents on daycare fees. A 2003 Statistics Canada report estimated the value of the opportunity cost of unpaid parental ELCC to be at least \$59 billion.³⁰ Yet this form of ELCC receives no targeted government financing. Therefore, preferential government support for daycare comes at the expense of other families’ diverse, intimate, and complex ELCC decisions.

A 2014 Statistics Canada study illustrates the income disparity among parents based on the type of ELCC they use. Those relying on parental ELCC are more likely to have a comparatively lower income. The author reports, “about two-thirds (65%) of parents with an annual household income of at least \$100,000 used [non-parental] child care for their preschooler. This was nearly double the rate recorded for households with an income below \$40,000 (34%). Along the same lines, 46% of the highest income households used

29. Doherty, Lero, Goelman, LaGrange & Tougas, (2000). *You Bet I Care!* p.167.

30. Zukewich, N. (2003). Unpaid informal caregiving. *Canadian Social Trends*, Autumn 2003. Ottawa: Statistics Canada. p. 15. Retrieved from <http://www.statcan.gc.ca/pub/11-008-x/2003002/article/6622-eng.pdf>



The minority of children who are in daycare centres access the bulk of government funding... Since wealthier families are more likely to have their children in daycare, not only does the system pick winners and losers, government subsidies do not necessarily help those who need it most.



child care for school-aged children, compared to 32% of the lowest income households.³¹ Daycare funding is more likely to offset costs for wealthier families.

Despite public perception, most children in ELCC are not in centre-based care – a fact that speaks to parental preferences for care. The distorted perception has led to policy choices that direct the majority of public funding toward a form of care only a minority of children receive.

Polls consistently find that a majority of parents prefer parental ELCC. Even in Sweden with its heavily funded daycare system, 64 percent agree government should support parents financially to look after their children. Support was even stronger – 76 percent – for members of the labour union federation.³²

In Canada, the Vanier Institute of the Family found that nine out of 10 respondents say a parent should be at home

with preschool child.³³ Over 60 percent say the same for elementary age child.³⁴ Where both parents are employed outside the home parent care was still ranked number one compared to daycare centres at number five.³⁵

The Institute of Marriage and Family Canada poll done in 2006 found that 78 percent of parents preferred that "a parent stays at home" over a "competent caregiver."³⁶ A follow-up poll in 2013 found that 76 percent of Canadians still believe it is "best for children under six to be at home with a parent."³⁷

The pursuit of universal daycare does not reflect the ELCC arrangements parents make or the preferences they have for their child's care. Directing massive subsidies towards institutional daycare spaces is inequitable and ignores the majority of low-income Canadian families and their specific childcare needs.

31. Sinha, M. (2014, Oct). Child Care in Canada, p.6.

32. Results from a poll by SIFO published April 2006 in *Varlden Idag* as reported in "Let the children stay at home until they turn four." (2006, April 28). Barnens Rätt Till Föräldrarnas Tid (Children's Right to their Parents Sweden) Retrieved from http://www.barnensratt.se/enclosures/archv-news.htm#060428-1Simons_P. (2014, July 10). Simons: Christian sex ed in public schools an infringement of human rights, says Edmonton mother, daughter. *Edmonton Journal*. Retrieved from <http://www.edmontonjournal.com/Simons+Christian+public+schools+infringement+human+rights+Edmonton+mother+daughter/10015901/story.html>

33. See Tables 5.5 in Bibby, R.W., (2004). A survey of Canadian hopes and dreams. *The Future Families Project*. Ottawa: Vanier Institute of the Family. p. 54. Retrieved from http://www.reginaldbibby.com/images/The_Future_Families_Project_MASTER.pdf

34. *Ibid.*

35. See Table 5.8 in Bibby, R.W., (2004). A survey of Canadian. p. 55.

36. Institute of Marriage and Family Canada (2006, Spring). Canadians make choices on childcare. *Canadian Family Views*. Ottawa: IMFC. p. 2. Retrieved from <http://www.imfcanada.org/sites/default/files/canadiansmakechoicesaboutchildcare.pdf>

37. Institute of Marriage and Family Canada (2013, May). Canadian daycare desires. Ottawa: IMFC. p. 1. Retrieved from http://www.imfcanada.org/sites/default/files/monthly_release/DaycareDesiresMay2013.pdf

RECOMMENDATION

Policymakers should consider the following recommendations to better serve parents.

➤ *Allow public funding to follow parental preference*

All children require ELCC. Parents meet this need in diverse ways, but the majority of funding goes to only one form; centre-based care. This coerces parents seeking financial assistance to use the type of care that is being funded. Public funding “should be fair and equitable and neither encourage nor penalize caregiving choices” as per recommendations from the 1999 Finance committee report *For the Benefit of Our Children*.³⁸ Funding empowers parents to make the best ELCC choice for their family’s needs.

➤ *Increase transparency on vacancy rates*

Provincial governments should make vacancy rates for all publicly-funded daycare centres easily accessible to the public. Publishing vacancy rate data would inform decisions regarding the allocation of public funds for ELCC. Greater transparency would better serve taxpayers and parents.

➤ *Taxpayer-funded research on childcare policy should be reliable, transparent and made entirely public.*

Reliable data on parental preference, enrollment, funding, cost, quality and childcare outcomes would better inform policymakers. Increased access to data would contribute to policy that is equitable and responsive to the variety of forms of ELCC parents demand.

CONCLUSION

Childcare policy concerns are overwhelmingly focused on one form of care that many parents choose not to use. While vacancy rates ebb and flow, the constant presence of available daycare spaces in cities like Toronto exposes the tired narrative that drives ELCC policymaking. Daycare data should be made accessible to both policymakers and to parents. Proponents will continue to press for more funding and more centre-based spaces. However, ELCC funding should be distributed equitably and without discrimination to Canadian parents, responding to the variety of ELCC forms that parents demand. 🍁

38. Canada, Parliament, House of Commons. Standing Committee on Finance, Sub-Committee on Tax Equity for Canadian Families with Dependent Children. (1999). Some principles and considerations guiding the committee. *For the benefit of our children: Improving tax fairness*. 36th Parl., 1st sess. Retrieved from <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=1031602&Mode=1&Parl=36&Ses=1&Language=E&File=57#cmtee>