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FEDERAL BUDGET SHOULD SUPPORT FAMILIES NOT BUREAUCRACY, SAY CHILD CARE OPERATORS

For Immediate Release

ONTARIO—March 10, 2020—Recent news reports indicate that the forthcoming federal budget may include over half a billion dollars in spending aimed at creating some 250,000 new before- and after-school child care spaces and lowering child care fees by up to ten per cent. Such spending is unlikely to achieve the desired results and may only make life harder for families, say Ontario's licensed child care owner/operators.

“When governments try to get directly involved in child care expansion, usually the only things that grow are government bureaucracies,” says Andrea Hannen, Executive Director of the Association of Day Care Operators of Ontario (ADCO), Canada's largest industry association for independent licensed child care owner/operators, both commercial and not-for-profit. “Over time, these bureaucracies not only become incredibly expensive, they tend to undermine the growth and stability of the licensed child care sector.”

Ontario's experience with government-run full-day kindergarten provides just one example. [A recent report by the Ontario Ministry of Education reveals that some 2000 of Ontario's licensed child care centres closed between 2008 and 2018, the first decade of the program.](#) While more than \$10 billion in taxpayer spending helped replace and run the inventory of kindergarten spaces that were lost due to these closures, it didn't replace the lost spaces for children in other age groups. During that same period, the Province spent some \$12 billion more on transfers to municipalities to “manage” the licensed child care system for children under the age of five. At both the beginning and the end of this period, there were still only enough licensed spaces to accommodate about 20% of children under age five.

“A wiser approach is to focus on putting more money back into parents' pockets,” says Hannen. “Investments in measures such as the Canada Child Benefit or the CARE tax credit like we have here in Ontario give parents more choice and flexibility. They're also an efficient way to create new licensed spaces that are sustainable over time.”

“When politicians use child care funding as a tool to achieve their own political goals, the children they claim to care about wind up carrying the debt burden of this spending well into adulthood. That's not fair,” says Hannen. “Taxpayer funds for child care should go to families, not government bureaucracies or pet projects run by politically well-connected lobby groups, however well-intended. Our hope is that the Trudeau government will show leadership in its forthcoming budget by resisting the urge to politicize child care spending, and instead focus on putting more money back into families' pockets.”

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ADCO is the industry association for Ontario's independent licensed child care centres. Independent licensed child care centres are those that are not run by public sector entities such as municipalities or school boards, or by large multi-service agencies such as YMCAs. While independent licensed child care centres may be run as businesses, not-for-profits or co-ops, their core business is licensed child care. Independent licensed child care centres account for more than a third of Ontario's licensed child care spaces. Many are run as small businesses, owned and operated by women.

For further information, please contact:
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