

# The Economic and Social Impacts of an Accessible, High Quality Child Care System in Toronto

Presentation to Economic Development Committee  
October 11, 2017

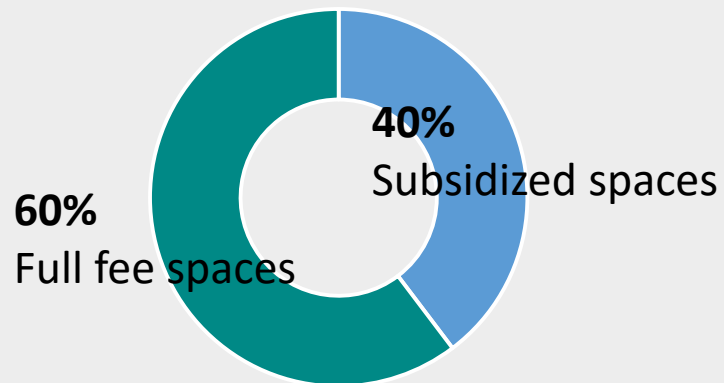
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Mike Williams, General Manager, Economic Development  
and Culture



# Toronto's context

- Children's Services is the Service System Manager for early learning and child care
- Toronto is the second largest child care system in Canada

Over **73,000** licensed spaces in total:

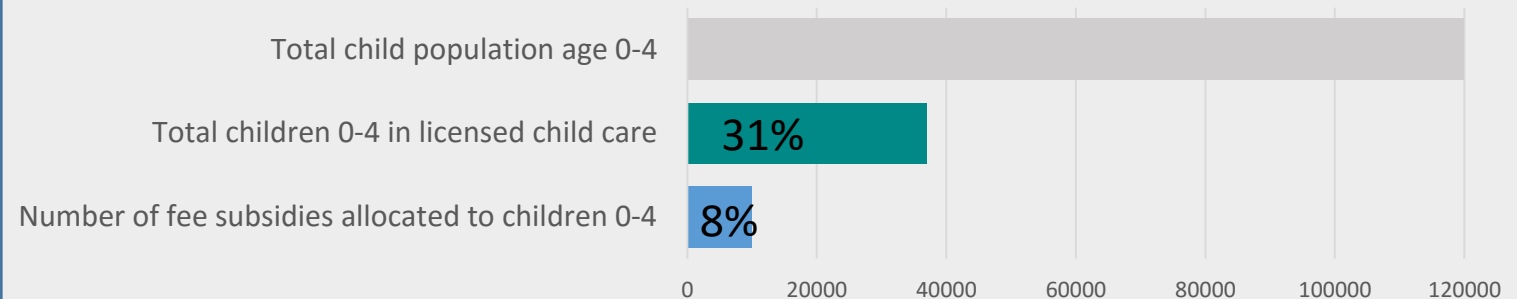


**1034** licensed child care centres



**52** are directly operated by the City

Children aged **0-4** are most underserved



# Toronto's context

Toronto's child care is of good quality and is becoming more accessible:

- Council adopted **Toronto's Licensed Child Care Growth Strategy:**



## Support a thriving workforce

Good jobs that attract and retain child care professionals

## Build capacity to meet demand

Enough licensed, centre-based child care spaces for 50% of children under the age of 4, and the capacity required to operate those spaces.

## Improve affordability for families

Public investments that keep parent fees affordable for families across all income groups, and fee subsidies for families in need

- Increased **Federal and Provincial investments**

# Socio-economic impacts

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Five key areas of impact:

- 1 Potential economic stimulus
- 2 Increased labour market participation
- 3 Reduced poverty and reliance on government programs
- 4 Improved child development outcomes
- 5 Increased social networks for families

# Socio-economic impacts



## Moderate potential for an economic stimulus:

- The employment multiplier for child care sector is largest of all sectors.
- Indirect impacts are relatively small
- Induced multiplier for child care is larger than industries with higher salaries.
- Increasing government spending on child care funded from local taxes is expected to be mildly stimulative, if there is a pool of unemployed and qualified child care workers in Toronto to fill the additional jobs

# Socio-economic impacts

## Advances female outcomes in the workplace:

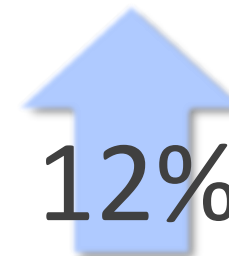
- Key enabler for parents to work and improve employable skills
- Benefits are most significant for mothers
- For every 4-5 child care spaces created, 1 additional full-time female enters the labour force.
- Increased participation rate is sustained long-term.
- Identified as one of five key factors in reducing the gender gap, McKinsey & Company, 2017.



In Quebec:

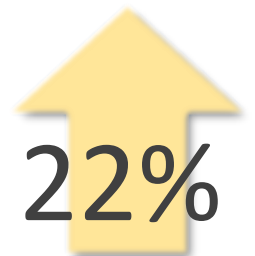
Women's participation in the labour market:

*All mothers:*



Increase in percentage points

*Most vulnerable mothers:*



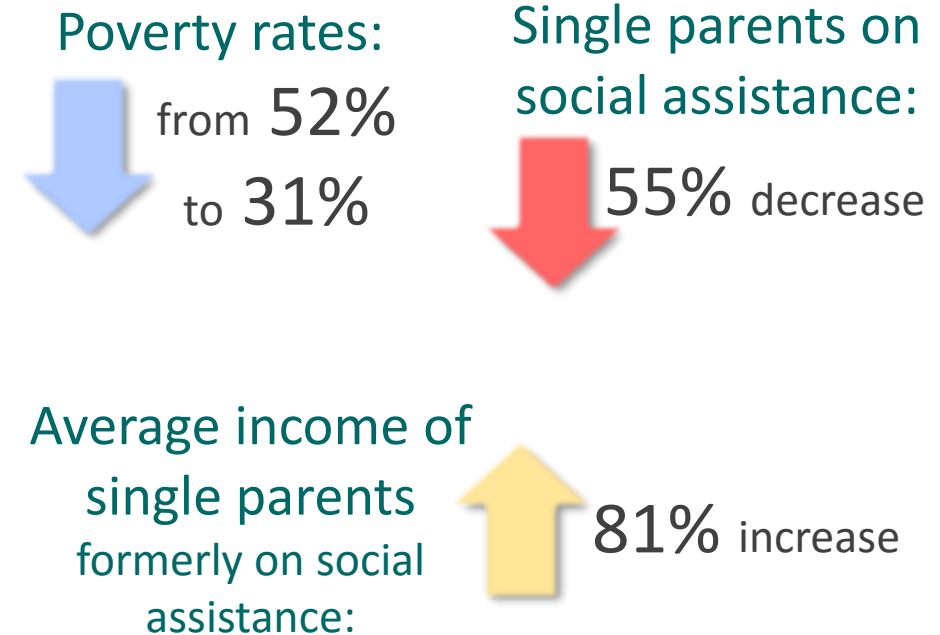
Increase in percentage points

# Socio-economic impacts

## Reduced poverty and decreased reliance on government-funded programs:

- Affordable child care is key lever in helping families move out of poverty.
- Long-term, sustained benefits
- Improved health and safety outcomes
- Supports Toronto's Poverty Reduction Strategy

In Quebec:



# Socio-economic impacts

## Stronger child development for a stronger future workforce:

- Critical development occurs in early years that impact life-long skills and functioning
- Participation in quality early learning advances literacy, numeracy and success in school.
- Builds more productive, more innovative future workforce
- Quality is key; Toronto is a leader in quality programming



## Academic test scores:

from 30<sup>th</sup> to 50<sup>th</sup>  
percentile

## High school graduation rate:

50%  
increase



# Socio-economic impacts

## Builds social networks and supports for families:

- Child care centres serve as centralizing hub
- Parents linked to each other and to other services
- Shown to decrease isolation and improve psychological well-being
- Potential to improve inclusion, belonging and promote diversity from early age
- Can be first point of contact for newcomer families



# Socio-economic impacts

To achieve full scope of impacts, child care programs must be:



## Accessible

Affordable • Available • Universal approach

## & High Quality

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“Not only do high-quality early childhood education programs benefit children, they also have positive impacts on parents and the economy as a whole.

The benefits of early childhood education far outweigh the costs.

Ultimately, investment in early education can help to address core economic and social challenges.”

TD Economics, 2012