

To: **Community Development and Recreation Committee, July 20, 2011**

Re: Core Service Review

Presentation by: Zeenat Janmohamed, Executive Director: The Atkinson Centre

The Atkinson Centre is a well-established research centre at OISE, University of Toronto involved in numerous research initiatives including *The Kids, Families and Places* study which examines the simultaneous influence of neighborhood, family and childcare contexts on preschool children's development; *Toronto First Duty*, a decade long research project that has evaluated integrated early learning and family support programs, and is also involved in the evaluation of full day kindergarten in Ontario. We have recently established a 25-member Early Years Task Force with expertise from across the province to develop an early years policy framework, to better integrate children's services and early education delivery.

I would like to address three issues before you today.

1. The elimination of child care subsidies
2. The privatization of city operated child care centres
3. The elimination of quality controls

From an economic perspective public spending on child care is not consumption. In the barest of economic terms it is an investment. Child care delivers multiple benefits to the children and families who use it, but it also plays a multifaceted role in regional economies; as an economic sector in its own right with facilities, employees and consumption from other sectors; as labour force support to working parents; and for the long-term economic impact it has on the next generation of workers.

Toronto's 900 child care centres and 2000 home care facilities provide care to 22% of the city's children. Gross revenues are over \$750-million a year. Childcare directly employs 13,000 people, with annual earnings of \$500 million. Child care is a larger employer than the construction or banking industries in the city. In addition, child care supports the employment of over 100,000 working parents with annual estimated earnings of \$4.9-billion.

Every dollar spent on child care has a multiplier effect on Toronto's economy of \$1.38 and every child care job spins off 2.15 jobs (Prentice 2009); every dollar invested in childcare increases the economy's output (GDP) by \$2.30. This is one of the highest GDP multipliers of any sector (Fairholm 2010). Public spending on child care is a revenue generator: every public dollar spent returns 90 cents in income and consumption taxes (Fairholm 2010). Economist and Nobel Laureate winner James Heckman concurs that public spending on quality child care is an effective investment providing immediate, mid- and long-term returns.

Dropping 2000 subsidized spaces would eliminate an estimated 400 direct jobs, 830 induced jobs and disrupt the employment of 4000 parents. This effect on earnings could total \$235-million. Shrinking the city's economy and revenue base. Cutting childcare creates a hole through which revenue drains out. There are no efficiencies, only losses, to be found in cutting child care.

The consultants' directive to offload city assets to the private sector is challenged by the city's responsibility to deliver equitable services to its citizens. City operated childcare programs serve families who are among the most economically vulnerable; they are largely located in communities that are not served by private

programs. City programs change the lives of children who have special challenges, children that the private centres often won't take; City centres have always filled a void that the market has been unwilling or unable to serve. Private operators may take over the facilities that council offloads but they will not be serving the same families. It is not feasible for them to do so. Toronto's private centres are in turmoil, trying to adjust to the loss of clients who are moving into full day kindergarten. This is an initiative the province undertook without considering a transition plan for the child care sector. A cursory read of the papers highlights the many child care operators who are in trouble.

Finally plans for the Children's Services division. The division's role is to provide accountability for tax dollars; assurances to parents for the quality of care their children receive; and transparency to the public. Anyone can go to the city's website to view a centre's record. Before these systems were put in place there was more public oversight of a street level hog dog vendor than there were of the programs where vulnerable, little children spent their days. Hopefully city council won't send us back to those days.

We are happy to work with Council to ensure that the government of Ontario provides adequate funding to the City for the services it provides. However, we also believe the local level of government is best situated to support services for young children and their families and would urge you to reject recommendations to privatize and cut services.

For more information on this topic, as well as about the Atkinson Centre, please visit: www.oise.utoronto.ca/atkinson