



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES - MANITOBA

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How to really help Manitoba families: Build a universal childcare system

Manitoba's childcare system is staggering to meet the needs of parents and children, and recent signs give little confidence the new provincial government will respond effectively. Over a dozen community groups who are ready to proceed with building not-for-profit childcare spaces have had their promised provincial capital grants abruptly frozen, halting all expansion. Wait lists for childcare in Manitoba are at an all-time high, at over 15,000 names up from 12,000 just two years ago.

A lack of childcare has serious economic consequences for parents and employers. A recent poll found 41 percent of new parents had delayed returning to work and 30 percent reported turning down a job because of problems finding childcare. More than one in ten had quit a job due to problems with childcare.

Across Canada, childcare fees are skyrocketing; a recent study from the Canadian Centre for Policy Alternatives National found rates are increased five times the rate of inflation this past year. In Manitoba, innovative public policy has meant fees have been relatively stable and remain the second lowest in the country. Nevertheless, half of Manitoba parents report that childcare fees are a "strain" or "unaffordable". The subsidy system is badly out-of-date: just one in four families using childcare qualifies today for any subsidy. In real terms, out-of-pocket childcare costs for a

low-income Manitoba family are higher than in many other provinces.

Manitoba has just 34,285 licensed childcare spaces. Most parents cannot find a childcare space when they need it, and wait times of 14 - 20 months are common. Half of all Manitoba centres operate with conditional licenses because they cannot recruit and retain trained and qualified staff, due to poor wages.

Long waits and high fees are puzzling since research shows the positive economic return on government investment in childcare. Childcare has positive economic impacts all across Canada. In Quebec, which spends \$1.6 billion annually on its \$7/day childcare plan, economists have found that public childcare is actually "profitable," once the new taxes paid by newly working mothers are factored in. So it is curious that the Manitoba Progressive Conservatives are eschewing such economic growth.

Scott Fielding, Minister of Families, seems to be banking on creating spaces in private family homes to close Manitoba's childcare gap. About 9 percent of Manitoba's childcare spaces are in private homes, a share that has been falling for years. Although a recent poll shows that 75 percent of parents want centre-based care, family homes are preferred by the Progressive

there is an alternative.

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Conservatives. Why would this be? Homes may appear to be less expensive option, since there are virtually no capital costs associated with licensing a home for up to eight children. Moreover, no early childhood education credential is required, since a provincial license can be given to anyone who completes a 40-hour introductory course within the first year of opening.

There are significant and longstanding problems in the private family home childcare sector, however. Many homes do not stay open long: half of Manitoba's family homes close in four years or less, throwing families out of care when they close down. While some new homes open every year, existing homes also shut their doors: Manitoba has a net closure rate of 13.7 percent, similar to rates researchers have found in BC. Churning in the family home sector varies across the province, and is higher in rural areas: for example, a home in the Eastman region is 72 percent less likely to remain open than a home in Winnipeg.

Other factors compound the problem. Close to one-third of family homes do not accept provincial funding, resulting in higher fees that shut out low-income subsidized families as well as children with additional support needs. Homes where the provider is likely taking care of her own children close at higher rates than homes where the provider's own children are not present. Compared to centres, family homes are disproportionately over-represented in quality breaches such as licensing orders and suspensions.

The evidence shows that current private family home childcare policy is not successful in creating reliable, quality and stable services for children and parents. Family home childcare does not generate long-term decent-paying jobs with benefits and pensions for providers, who are overwhelmingly women.

Contemporary families struggle to reconcile work and family and childcare services offer them a much needed resource – giving children good places to play, grow and learn while their parents

are at work or school, promoting gender equity, facilitating employment and schooling, and enhancing social inclusion.

In January 2016, the Manitoba Early Learning and Child Care Commission released its report. The Commission laid out a realistic set of recommendations for universal services. Investing in Manitoba's childcare system is more than worth the costs. History shows the value of redesigning public services. Beginning in 1890, under the Public Schools Act, Manitoba began to transform a rag-tag system of one-room schoolhouses into a provincially funded education system. The new provincial government should apply the same province-wide thinking today to ensure all parents and children have the childcare services they need.

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