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For Immediate Release

Good News – The Child Care Crisis in BC Can Be Fixed - \$10aDay Child Care Plan is Great for Families and BC's Economy: New Economic Study Highlights Net Benefits of Proposed \$10aDay Child Care Plan for Governments and Employers, even in the Short Term.

Renowned private-sector economist Robert Fairholm led this in-depth analysis of the economic effects of implementing the \$10aDay Plan -- confirming that it will generate sufficient government revenues to pay for the government spending required to build and operate the system.

“Full implementation of the \$10aDay Plan will have a significant and positive impact on GDP and create 69,100 jobs, even in the short term” states Fairholm.

The study shows that solving the current child care crisis is much more than simply an affordable option for governments - the \$10aDay Child Care Plan will provide higher economic returns to BC than other government investments.

Child Care is shaping up to be a major election issue in British Columbia. With the ongoing crisis - too few quality spaces for kids, unaffordable parent fees, and low wages for early childhood educators – families, communities and employers are looking to the \$10aDay Child Care Plan as the solution. Under the Plan, parents will pay a maximum of \$10 a day for a licensed child care space, the number of licensed spaces will increase to meet demand across the province, and wages and training opportunities for early childhood educators will improve to ensure quality.

Spokesperson for the \$10aDay Campaign, Sharon Gregson, highlights the study findings that the \$10aDay Plan “will provide significant benefits to single mothers, and help many families to leave social assistance, which will reduce income inequality.”

“The projected benefits to government are shared between the B.C. and federal governments, so a cost-sharing approach to financing the \$10aDay Plan makes sense” says Emily Mliczko, Executive Director of the Early Childhood Educators of BC. “With new federal funding committed to child care this is a perfect time for the BC government to build a system that ensures all families with young children have access to stable, supportive and affordable child care in their communities.”

For more details on the study findings, prepared for the Early Childhood Educators of BC, including the costing review; benefits review; and impacts of the \$10aDay Plan go to www.10aday.ca

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Background

THIS STUDY ESTIMATES the short-term socio-economic impacts arising from the implementation and operation of the proposed \$10aDay Child Care Plan for BC. The analysis considers several impacts on the provincial economy, including the economic effects from the construction and operation of the new system and the resulting increase in mothers' labour supply. The analysis also illustrates the impact on the government sector's revenues and expenditures.

KEY FINDINGS, SUMMARIZED

- Implementation of \$10aDay Plan is projected to generate sufficient overall government sector revenues to pay for the additional government spending required to build and operate the system.
- This analysis also projects substantial benefits to employers and households throughout the implementation period, and beyond.
- Full implementation of the \$10aDay Plan will have a significant and positive impact on GDP and jobs.
- The increase to GDP is close to 2.0 per cent or \$5.787 billion on full implementation, employment increases by 2.8 per cent, or 69,100 net new FTE jobs - an employment multiplier of 36.4 jobs per million dollars of spending. Both of these multipliers are well above the benefits the province conventionally expects to receive from other investments.
- These gains will provide particularly significant benefits to single mothers, and help many families to leave social assistance, which will reduce income inequality.
- Although the analysis focuses on the near-term, benefits will increase over time, as children who experience high quality, affordable child care enter adulthood healthier, better educated, and less likely to be involved in the criminal justice system — all of which contribute to higher earnings, higher tax revenues for governments, and reduced government spending.
- The projected benefits to government are shared between the B.C. and federal governments, so it is reasonable to anticipate a cost-shared approach to financing the \$10aDay Plan, with the federal government contributing at a level that is commensurate with its expected gain in revenues.