

CHILD CARE REALITY CHECK 2008: FACT AND FICTION

Even before the current federal election call, the Harper government tried to spin its failed child care policies into a success story. It's time to separate fact from fiction.

What's the reality behind ... federal spending on early learning and child care?

Fact - Federal spending for regulated child care is only \$600 million each year.

Federal transfer funds to provinces for early learning and child care total \$600 million this year (down from \$950 million in 2006). Additionally, tax breaks for parents for receipted child care expenses total \$695 million.

Fiction - The Harper government claims it is spending \$5.8 billion yearly on early learning and child care.

In reality, this figure is inflated by including the so-called Universal Child Care Benefit (UCCB) as well as the National Child Benefit. Neither of these payments to parents has anything to do with child care services.

What's the reality behind ... the "Universal Child Care Benefit" (UCCB)?

Fact - The "UCCB" is not child care, it's an income support for parents. That's why the Canada Revenue Agency insists that parents claim this income and pay tax on it.

This \$100/month payment to parents for each child <6 can be spent on anything, once income taxes are paid. Actually, it's more likely to be used for household bills, family recreation or RESPs than for child care programs.

Fiction - The Harper government claims that the UCCB has delivered "choice in child care".

In reality, growth in child care spaces has slowed since the UCCB was introduced. Centre closings and staff shortages are rampant. And, if families are lucky enough to find a child care space, fees are between \$600 and \$1,500/month. There is no evidence to show that parents who need child care have more choice.

authorized by:

CODE BLUE for child care



**What's the reality behind ...
accountability for federal spending on child care?**

Fact - *There is no public accountability for federal spending on child care.*

The Harper government cancelled national plans for building a real child care system, replacing it with payments to parents and transfers to provinces and territories with no public accountability.

Fiction - The Harper government claims that it is a good steward of public funds.

In reality, there is no public accountability for ensuring that federal funds are used to build a child care system. In fact, there are **no** spending conditions attached to these funds. Transfer funds to provinces and territories are not tied targets to build more spaces, lower parent fees or raise child care provider's wages. Nor have we seen an evaluation of the UCCB's effectiveness as a public expenditure. Canadians should be concerned about billions going out the door each year with no public accountability, while the child care services that we need to support our children, our families and our economy are still in crisis.

**What's the reality behind ...
choosing between funding income support programs
and funding child care services?**

Fact - This is one choice that Canadians **do not** need to make. Many developed countries support children and families **both** through early learning and child care services **and** through income supports for lower-income families. But, Canada has the lowest spending on these services, and the lowest rates of access.

Fiction - The Harper government claims that it has provided parents with resources to help balance work and family.

In reality, working parents need child care and all families need adequate incomes. But the UCCB does not deliver child care, nor does it target lower-income families who need it most.

Effective income support programs are necessary, but Canada **STILL** needs child care.

authorized by:

CODE BLUE for child care

