

# REAL QUESTIONS ABOUT UNIVERSAL CHILD CARE

Since the start of the pandemic, calls for universal child care have picked up steam. Before pursuing this policy approach, however, there are important questions to answer. These questions pertain to all aspects of child care—accessibility, quality, and cost. Every family is different, and child care needs and desires vary.

**Will a federally funded, universal system be able to meet these needs?**

**THE QUESTION: DO WE HAVE A CREDIBLE COST ESTIMATE FOR A NATIONAL, HIGH-QUALITY UNIVERSAL DAYCARE SYSTEM?**

Morna Ballantyne, executive director of Child Care Now, was recently quoted as saying, “Nobody knows [the cost] right now to have affordable, high-quality, accessible child care in Canada . . . because there’s so many variables in making that calculation. What we do know is that we need a lot more public money. We need at least \$10 billion, possibly more, on an annual basis.”<sup>1</sup>

An estimate from 1986 put the cost of a national daycare system at \$11.3 billion,<sup>2</sup> a number that was higher thirty years ago than what some say is needed today. Accounting for inflation, \$11.3 billion would be roughly \$28 billion today.

Few other advocates of the pan-Canadian implementation of the Quebec model have provided a concrete cost estimate for this option, but they claim that the system will more than pay for itself.

A recent report titled “Investing in Early Learning and Child Care: A Framework for Federal Financing” does not provide an estimated cost for the proposed national system but calls for Canada to reach average OECD spending, at about \$20 billion annually.<sup>3</sup>

The cost of Quebec’s system has skyrocketed. Between 1997 and 2010, the cost rose 562 percent, with spaces increasing only 156 percent.<sup>4</sup> Just one-third of Quebec children in child care can access the spaces deemed to be higher quality.<sup>5</sup>

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1. Lee Harding, “The Compelling Case Against Universal Child Care,” Troy Media, October 21, 2020, <https://troymedia.com/politicslaw/the-compelling-case-against-universal-child-care/>.

2. Martha Friendly, “It Was Twenty Years Ago Today . . . March 8, 1986,” Childcare Resource and Research Unit, March 3, 2006.

3. Armine Yalnizyan and Kerry McCuaig, “Investing in Early Learning and Child Care,” Atkinson Foundation, September 16, 2020, <https://atkinsonfoundation.ca/atkinson-fellows/posts/investing-in-early-learning-and-child-care/>.

4. Vincent Geloso, “Childcare Services in Quebec: Spending Explosion,” Vincent Geloso (blog), December 1, 2011, <https://vincentgeloso.com/2011/12/01/childcare-services-in-quebec-spending-explosion/>.

5. CCPA and Pierre Fortin, “You Must Be Kidding: Confronting Key Myths about Quebec’s Childcare System,” Behind the Numbers (blog), April 25, 2017, <https://behindthenumbers.ca/2017/04/25/must-kidding-confronting-key-myths-quebecs-childcare-system/>



Quebec’s spending per child-care space is estimated at \$12,400 in operational costs.<sup>6</sup> This does not include capital costs, training, the cost of additional members of a federal bureaucracy to administer the program, or a pension fund. True universality—the provision of a space for every child across the geographic diversity of Canada—would be extremely costly and complex to administer.

One non-peer-reviewed paper argues that Quebec’s system more than pays for itself through the increase in taxes that working mothers pay.<sup>7</sup> Another non-peer-reviewed paper claims that a national system will immediately create \$10 billion in additional GDP, with an eventual increase in annual GDP “of between \$63 billion and \$107 billion.”<sup>8</sup> The assumptions and data behind these claims need to be rigorously tested.

Spending on child care in Quebec has grown without a commensurate increase in spaces or quality. As of October 2020, Canada is ranked first in deficit spending among developed countries.<sup>9</sup> These two facts should be enough to press pause on expansion of the Quebec model into the rest of Canada.

## THE TAKEAWAY

**The Quebec model has not achieved universality or high quality, yet its cost has increased dramatically. The federal government should consider tax reductions, tax credits, and funding for families as better ways to help families than funding spaces in a costly, inefficient system.**

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6. Yalnizyan and McCuaig, “Investing in Early Learning and Child Care.”

7. Laurie Monsebraaten, “Quebec’s Child-Care Scheme Pays for Itself, Economist.” Toronto Star, June 22, 2011, [https://www.thestar.com/life/parent/2011/06/22/quebecs\\_childcare\\_scheme\\_pays\\_for\\_itself\\_economist.html](https://www.thestar.com/life/parent/2011/06/22/quebecs_childcare_scheme_pays_for_itself_economist.html).

8. Jim Stanford, “The Role of Early Learning and Child Care in Rebuilding Canada’s Economy after COVID-19,” The Centre for Future Work, November 25, 2020.

9. Jack M. Mintz, “In Government Spending and Deficits, We’re Now No. 1 in the World,” Financial Post, October 22, 2020, <https://financialpost.com/opinion/jack-m-mintz-in-government-spending-and-deficits-were-now-no-1-in-the-world>.