

# The Policy Playoffs:

## How Equity and Inclusion in Early Learning and Childcare Could Help Us Win the Game of Life

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You might not love the analogy but what we are trying to do is shape public policy, and every effort to do so it ultimately a game.

This one is a game in 3 periods. (Homage to the NHL playoffs ensues.)

Faceoff:

After 50 years of asking, national childcare program is a reality in Canada.

Game on.

Like any game, there are opposing teams, opposing talents and opposing strategies vying for the win.

One team is shooting for the gold, economic development and human development. That means bringing everyone along. (\*That's you\*)

The other team is looking for money. Money for nothing and your kids for free. OK, not free, \$10 a day. And actually, OK, not money for nothing, money for profit. The worst kind of nothing. The kind of nothing where there's more left-behinds than winners.

Only one team will win. Which one?

This game has three periods and like every good game, and every good story, there is a beginning, middle, and end.

**Period one** saw victory for Team Gold.

Evidence and common sense won.

Let me jog your memory about the how that part of the game unfolded.

I coined the term She-cession in March 2020. It was the first time women were left out of the economy, and in a big way, but “for the good of us all”: to contain the contagion.

Most recessions are he-cessions – men lose 95 to 97 percent of all jobs at first, then the ladies catch up. This time the opening months saw women lose 65% of the jobs, because they were non-essential and people-facing jobs. Non-essential work involves retail, personal services (like hair and nail salons, gyms and massage parlours), hospitality (like bars and restaurants), recreational travel (which includes the getting there, and the staying there, transportation and hotels).

That summer I invented a jingle: No recovery without a she-covery. No she-covery without childcare. It was a hit.

The first self-declared feminist government of Canada sang along with the lyrics. They saw the link between economic performance and women’s ability to work, and saw how taking care of children who couldn’t go to school or attend childcare was becoming a choke-point in recovery. The problem was crystal clear. So was the solution. The feds acted.

But they acted also because they had a fiscal reason to act. Based on almost 30 years of data from Quebec, they knew subsidized childcare pays for itself. More women working more, more personal income taxes. Those additional revenues typically outstrip the outlays on subsidized childcare.

But the data also show that when you don’t prioritize *early learning* as part of childcare, and only focus on low-cost-to-parents babysitting, you literally leave money on the table.

Since the 1980s, governments of every political stripe have put the policy priority on growing the economy.

Early learning and childcare grows the economy, not just today – as more mummies go to work - but tomorrow. But to score that goal, you have to shoot to where the puck is going, not where it’s been.

And it’s going someplace new, fast. We’re dealing with the most wide-spread labour shortages we have seen since the 1950s. It’s not just happening in Ontario, or in Canada. It’s happening in every nation that had a baby boom after World War II.

Birth rates have been dropping ever since the late 1950s, and the combination of the pandemic and soaring housing costs has meant they are dropping further still. People aren't having babies because they aren't forming families as frequently, partly because they can't afford them.

There are more people leaving the labour market than entering it.

We are just beginning a period with the highest dependency ratio seen in half a century. What does that mean? The working age cohort, the population that supports those of us too old, too young and too sick to work, is the smallest it's been in 50 years.

When the baby boom entered the labour market, it was the biggest generation of young workers. And twice as big as previously, because girls thought they were just as good as the boys.

Double whammy. Because this huge working-age cohort of young workers ran into two back-to-back recessions (one in 1981-82 and one in 1990-91).

After decades of labour surpluses, we are entering decades of labour shortages. We will need all hands on deck.

Enter the ladies. Labour shortages mean get the ladies to work. Paid work, that is. Today the focus is not just adding more people to the paid work force, but adding to the number of hours they work. That's where the most "juice" is to get more out of what we've got. For now.

But in not so long, 10 years, maybe less, the focus will be on the kids we today are investing in...or *not* investing in, as the case may be. We will reap what we sow.

In honour of last night's Leaf's win, I will shamelessly now use the analogy of a hat trick to describe the potential of how we can win one of the biggest challenges of the early 21<sup>st</sup> century: not enough workers.

Stay with me. Yes. Early learning and childcare is the hat trick of public policy.

We shoot and we score! Goal 1 for a Canada Wide Early Learning and Childcare Strategy!

1. We help more people get a job, add hours of work (GDP goes up, public revenues go up more than public expenditures)! We remove bottlenecks in labour supply, increase people's ability to deploy the human capital that they've invested in on their own, with time and money spent on post-secondary education. That's why ELCC pays for itself wherever you introduce it.

[Wish I had an announcer's voice.] Again: We shoot! We score! Goal 2!!

2. We expanded the care economy and created great new jobs because we understood that, using our dollars, public funds, this expansion could and should expand the number of

jobs that offer decent work – living wages, pensions, benefits, some control over hours, built-in skills development. We help expand the middle class.

I'm not kidding.

The care economy (health and social assistance plus education sectors, cradle to grave care for your body and mind) is 12.6% of GDP and 21% of all jobs.

It's a bigger contributor to the economy than oil and gas or car manufacturing.

It's peerless when it comes to the share of jobs.

It could be the backbone of the economy of the early 21<sup>st</sup> century, just like manufacturing was in the mid 20<sup>th</sup> century, with roughly the same share of jobs, and the most unionized part of the private sector, improving the quality of jobs as their numbers increased.

But we treat the care economy as women's work, a labour of love; and therein lies the secret to so much of what is going wrong in the sector right now. It's a fixable problem, but it's not yet fixed.

And the next goal is absolutely possible, it's in our playbook, we know how to do this, but the team isn't quite lined up for the play:

3. We could not only create more decent jobs and optimize people's contributions to the economy today; we could maximize the human potential of the *next* generation. Early learning is not babysitting. Human brains develop the most in the first five years of life. We don't just learn how to learn in these early years, but we learn how to be with others, how to be a social, humane being. If you don't do this part right, you are literally leaving money on the table, and undermining the potential of your society.

It can be win win win, but that's not how the second period is unfolding.

In too many places – particularly in Ontario and Alberta – our governments are actively squandering federal dollars and human potential. We are leaving more people behind, even as we spend more money.

It's so frustrating.

Ontario is okay paying policemen six-figure incomes that require only high-school credentials; but when it comes to women who have sunk two years or more of their own time and thousands of their own dollars learning how to help our children be the best they can be, we pay them less than garbage collectors.

Check out the online job board at Indeed.

In Ontario we pay registered ECEs less than PET GROOMERS for heaven's sake. I mean, sometimes the level of hassle is the same; but one job has way less responsibility and consequence.

We keep talking about the need for more training, but won't pay people when they train.

This is where you boo. Or say “Shame!”

Because this is a shamefully deliberate strategy: Keep a lid on the pay of publicly-funded workers in childcare, eldercare and healthcare so that for-profit providers in the private sector increasingly look like attractive options, and care in such facilities becomes the obvious alternative, at least for those who can pay extra.

It’s appalling. And it’s growing inequality. Among parents. Among children. And among workers. Deliberately. By public policy.

It suggests a terrible math. Women’s employment rates are at record highs, and a lot more women with young kids have joined the labour market. But it’s not because we have created a lot more licensed high quality care, though that was a stated goal a couple of years ago. No. We’re actually struggling to provide care in the spaces we *used* to have.

The only solution to this puzzle is that we are warehousing, not nurturing, a growing percent of our most precious future resource, those kids we are producing at ever-diminishing rates.

**Deep in period two**, we’re spending more and getting less; and we’re paying for it, in so many ways.

When the federal government finally committed to spending OUR money (not theirs) to improve early learning and childcare, they plunked down \$30 billion over five years.

Sounds like a lot of coin, right? That’s the reason it was resisted for years by even this administration, the self-declared first feminist government of Canada.

But that \$30 billion pales in comparison to other things this government is doing.

Did you know we spend almost \$30 billion *a year* on children’s benefits – a cash transfer to parents.

We spend double that, close to \$60 billion a year, on transferring cash to the elderly through old age security.

And, wait for it...we spent \$80 billion in one year alone for the Canada Employer Wage Subsidy! That went to employers, and we later found out that a lot of them didn’t even use it to subsidize wages!

So while it’s a lot, it’s not as much as you might think.

And it’s not buying what we thought it would.

Yes some parents have seen their childcare costs cut in half, but only if they are in licensed childcare. Only 29 percent of parents with pre-school kids have a space in licensed childcare, and not all of those licensed centres have signed up to the plan to reduce parents' fees.

The CWELCC bilateral agreements have always focused on expanding the number of parents who can access this plan to reduce parent costs.

But far from expanding licensed spaces, we are seeing less ability to deploy the capacity we have because of labour shortages. And the labour shortages are linked to terrible wages.

Things are getting bad. You know it better than I, but it's harder to maintain spaces let alone expand them because wages are so low.

YWCA is the biggest nonprofit operator in Ontario, maybe in Canada. They are short 700 workers today compared to before the pandemic. Far from expanding access to care, they are having trouble providing the care they already have. In their 35,000 licensed spaces, only 16,000 children are enrolled. It's not because the wait list went away.

The government of Ontario itself has calculated the province will be 8,500 workers short of needed staff needed by 2026.

And that's even after pulling an Alberta feint, cutting requirements for qualified staff.

Despite these acknowledgements of failure to launch, or even stay in the air, there's still no plan to improve workforce recruitment and retention.

Not all jurisdictions are trampling on the intentions of the CWELCC bilateral agreements they signed. Access is expanding in some Atlantic provinces where jurisdictions are adding spaces in schools. They are using existing infrastructure, our schools, and expanding access by educating down to a younger target group. That's one way to build a public non-profit system. Quebec, too, is expanding not just cheap care but access to good care: they are adding a number of centres de petits enfances, the jewel in their ELCC crown.

It's these public and non-profit expansions that were the goal of the deals that we have to get back to. They're better for the kids, they're better for our kids' parents, and they're better for the people who provide care for our youngest learners, treating them with the dignity and respect they deserve as educators, not babysitters.

But so far these deals have mostly been implemented as if we're expanding on a Zeller's marketing campaign – "because the lowest price is the law".

\$10 a day has been the core of the retail political message.

Who is getting \$10 a day care?

The people who already had access to licensed care, which is – by and large – the middle and upper-middle class.

Those who really need affordable, high quality care aren't getting it.

Little thought and even less action has gone to reduce childcare deserts, whether those deserts are geographic, or language-related, or addressing a lack of extended hours for shift workers, or dealing with special needs children.

Given everything that has happened since the pandemic, this guarantees more inequality in lived experience, and more financial hardship for those who are already experiencing the most financial hardship.

The conditions of work are the conditions of care, as Professor Pat Armstrong has said for decades now about long-term care provision. It's the same in early learning and childcare.

There is some improvement in wages in every province, but the amount is just plain insulting, particularly after a year where workers saw their paycheques scorched by a pace of inflation not seen in 40 years.

In Ontario, the people caring for our youngest learners saw a pay raise of \$1 an hour, to \$19 an hour.

But not all of them. Registered ECEs did (pause on that for a second, RECEs were making \**LESS THAN*\* \$19 an hour before January!) but not the assistants who get paid even less.

More inequality, this time for the workers.

The for-profits are now preaching inequality for *them* too. In the Olympics of Victimization, they feel they deserve a place on the podium. They are lobbying for changes in the funding formula.

Let's be clear why. A lot of the individual Ma-and Pa operators (OK Ma and Pa) are sitting on valuable real-estate, precisely because good care is most often found in good neighbourhoods.

You know and I know these jobs don't come with pensions. But for the owners of these small businesses, selling the property can finance their retirement.

Private equity has got this and other sectors of the care economy in their crosshairs, and it's not so they can come in to provide the care.

They're coming for the monthly cash flows from buying then leasing the real estate. And if they are successful in changing the funding formula, more taxpayer money will go to shareholders for exorbitant rents, leased by one arm of the holding company to the managers of the care they hire in another arm of the company.

We need stronger guardrails around how our public dollar gets used for private profit. There isn't enough taxpayer money to satisfy *this* type of expansion.

We keep talking about and funding training, but without equally vigorous recruitment and retention plans we can spend all the money in the world on training and continue to have more childcare spaces without people.

That means more empty playrooms. That means longer wait lists. That means more people will sink time and money into training, then leave the profession. What a waste of time and money, publicly and privately.

We haven't yet seen plateau the employment rates of women with pre-school age children.

That means those kids are going somewhere. But if regulated childcare spaces aren't expanding, we may simply be spending a lot more while hardwiring more poor outcomes for a growing share of the next generation?

Not looking ahead means we could end up in the ditch, even with an extra \$30 billion we didn't have a couple of years ago.

Money without a plan is just that: more money.

And that takes us to the third period, the one that will decide who wins the game.

It's time for everyone in this room to start making noise about the elements of the plan we need to put in play to avoid going into the ditch.

- Pay people better.
- Put enforceable conditions and guardrails on public funding
- Build on the public assets we already have and educate down where you can.
- Expand first in the areas where families have the least access to decent service.

**Period three** is just about here.

Provinces are about to start renegotiating the second phase of action plans with the feds.

It would be surprising if there is no promise of new federal money and no threat of bad press.

That combination is powerful leverage for the feds and for stakeholders (that means you) to constrain bad behaviour and scale up the good.

This is now about how you get involved. How are you making your concerns known, not just to our governments but to our communities?

Team Gold could lose this game, but there's still plenty of time to turn the score around.



Our problems are fixable, not through legislation, but through public pressure. Make our governments and operators show us where the money went, and how it bought the change we need.

The first change we need is to stop the haemorrhage of workers leaving the sector.

How to stanch the bleed is not rocket science: Increase workers' wages, benefits and pensions commensurate to the training they need to do the job well.

Value and respect what the people caring for our youngest actually do, day in and day out, and you will see more people stay, and more people come back. Just ask Ontario's police officers.

And when it comes to actually expanding the workforce, don't just say you've opened up the spigot on temporary foreign workers.

Implement a human resource plan that offers continuous earn and learn skills development options so you can hire at any skill level and level up.

That's how we originally trained generations of nurses as we rapidly expanded access to publicly insured hospital care: half a day of school, half a day of on-site practicum; lots of people, spelling each other off.

I spoke to a retired nurse from New Brunswick recently, and she mentioned her education of three years was FREE. Free tuition, PLUS room and board in return for their free labour for a few hours every day.

Think of how we could win! "We're gonna win so much, you may even get tired of winning" ;)

After 50 years of asking, national childcare program is finally a reality in Canada. And the second period hasn't gone that well. But third period is coming up, and it's our chance to put a winning game plan into action.

This is a game we can't afford to lose. Let's nail that plan, and let's go, Team Gold!