

# Understanding the Equity Implications of the CWELCC Agreements for Low- Income Families

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OISE/UT

# Agenda

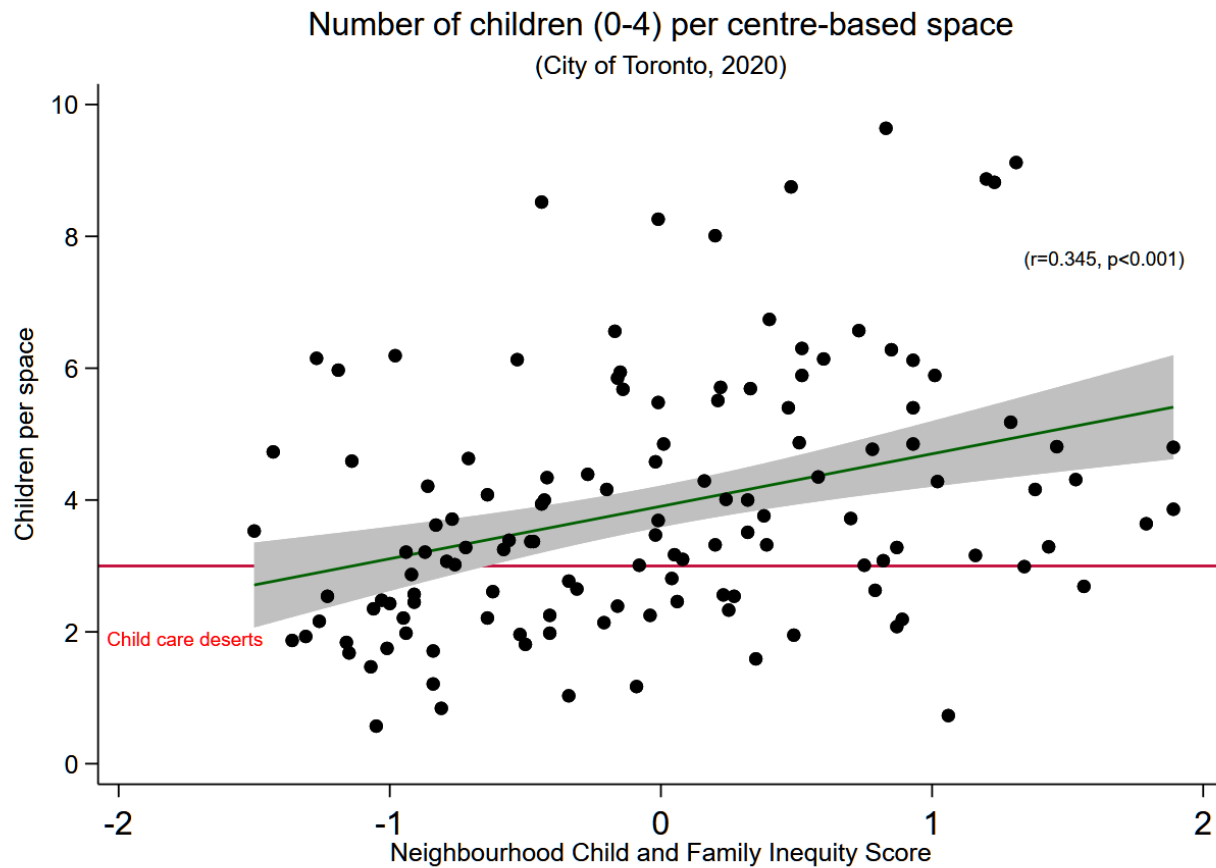
- ELCC and low-income families/children
- CWELLC
- Using information about child care subsidy eligible families in Toronto to anticipate the implications of CWELCC for low-income families
- Is there anything in the CWELCC agreements/amendments about efforts to mitigate potential negative implications of CWELCC for low-income families?
- Implications



# Background

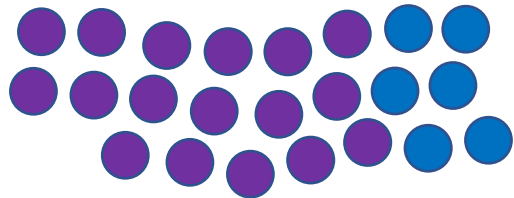
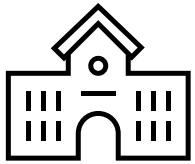
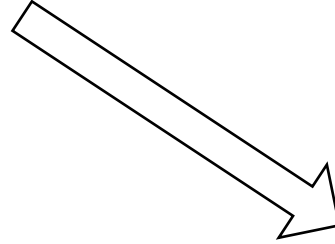
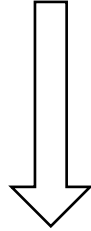
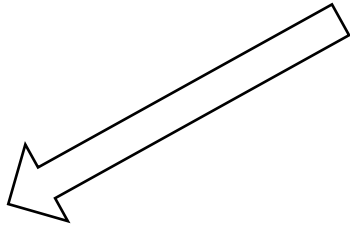
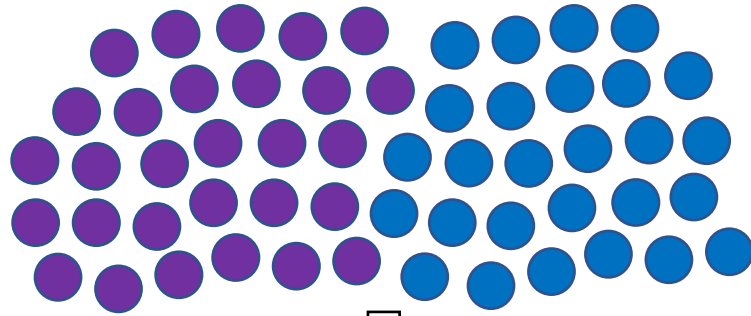
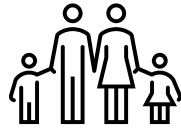
- Children can benefit from attending early learning and child care (ELCC) settings in terms of:
  - Social,
  - Emotional,
  - and cognitive (Bierman et al., 2008; Blair & Raver, 2014; Burchinal et al., 2009, 2010; Heckman et al., 2013; Kholoptseva, 2016; Lamb & Ahnert, 2007).
- Low-income children benefit most from having access to high quality ELCC (Bratsch-Hines et al., 2020)
- Unfortunately they are also the children who are least likely to get high quality care

# City of Toronto, 2020

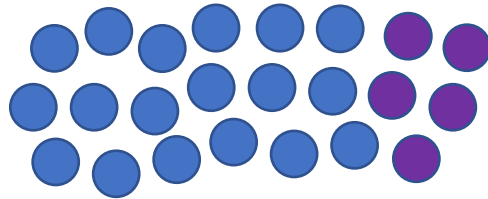
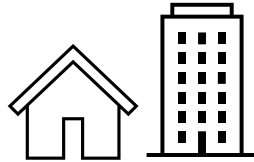


# Matthew Effects in ELCC

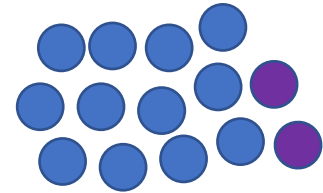
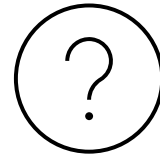
- Advantage begets advantage, “the rich get richer and the poor get poorer”
- Past research shows us that when services are limited, more vulnerable individuals/families end up having the hardest time accessing those services (Pavolini & Van Lancker, 2018)



Centre Care



Home Child Care



No Care

# Matthew Effects in ELCC

- This is exactly what we saw in Quebec:
  - lower income families are more likely to end up in home child care which can be wonderful, but in general has been found to be of lower quality than centre care

# Canada Wide Early Learning and Child Care

- The Government of Canada made investment of over \$27 billion build a Canada-wide a better ECEC system across provinces and territories
- Combined with other investments including Indigenous early learning and child care, up to \$30 billion (over 5 years) will be provided in support of early learning and child care
- One key goal is to reduce parent fees to an average of ~\$10/day for families
- **This is going to really increase demand for ELCC**



# CWELCC Objectives and Areas of Investment

## Affordability

- Reduce out of pocket parent fees for ELCC spaces.

## Quality

- Develop and implement quality frameworks for ELCC.

## Inclusivity

- Ensure that vulnerable and marginalized populations have access to ELCC spaces equivalent to or greater than their proportion of the population.

## Accessibility

- Support the expansion of increased child care spaces.

## Administration

- Ensure completion of annual reports to monitor progress in establishing the Canada-wide child care system.

# CWELCC Objectives and Areas of Investment

<b>Affordability</b>	<b>Quality</b>	<b>Inclusivity</b>	<b>Accessibility</b>	<b>Administration</b>
<ul style="list-style-type: none"><li>• Reduce out of pocket parent fees for ELCC spaces.</li></ul>	<ul style="list-style-type: none"><li>• Develop and implement quality frameworks for ELCC.</li></ul>	<ul style="list-style-type: none"><li>• Ensure that vulnerable and marginalized populations have access to ELCC spaces equivalent to or greater than their proportion of the population.</li></ul>	<ul style="list-style-type: none"><li>• Support the expansion of increased child care spaces.</li></ul>	<ul style="list-style-type: none"><li>• Ensure completion of annual reports to monitor progress in establishing the Canada-wide child care system.</li></ul>

Using information about child care subsidy eligible families in Toronto to anticipate the implications of CWELCC for low-income families

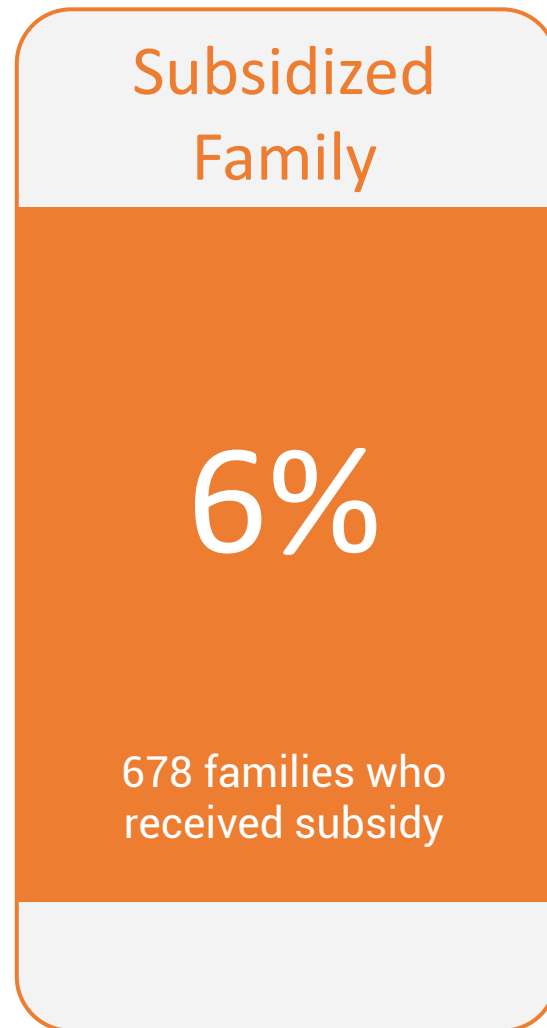
# To Qualify for a Child Care Subsidy in Toronto

- Parents need to be low-income
  - Fees are determined on a sliding scale, but most parents pay close to nothing
- Activity requirement - parents need to be working or in school (or have special circumstances like a medical emergency)
  - This means that parents lose the subsidy after a short time if:
    - They go on parental leave, have to stop working to care for an aging parent, lost their job, are looking for another, etc.
    - This causes instability in ECEC arrangements for children which is not good for kids
- Current subsidy requirements leave a lot of low-income kids who could really benefit from child care out

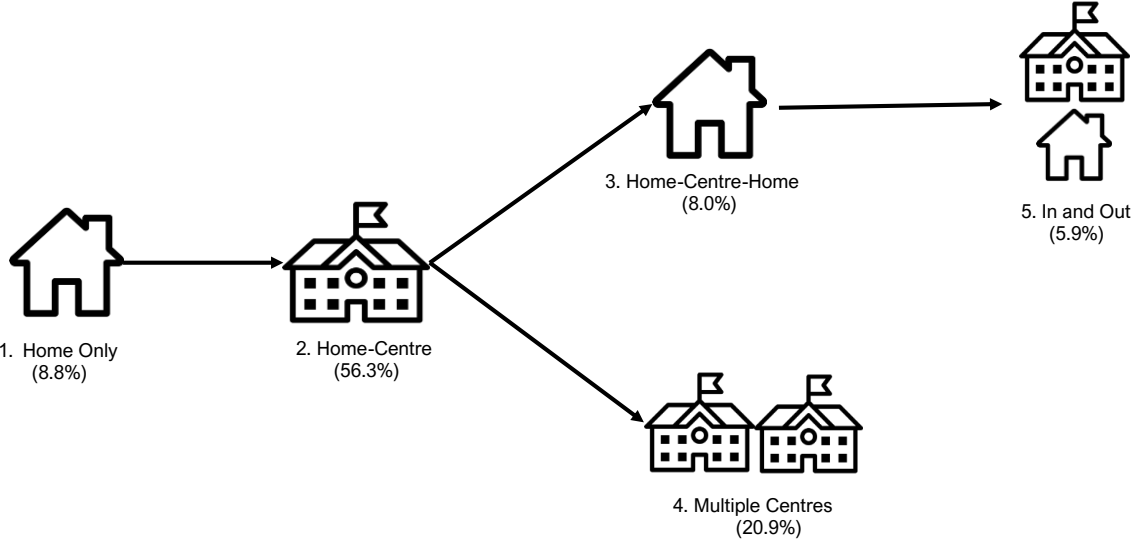
# Child Care Matters Study

- In partnership with the City of Toronto we have been following almost 900 low-income families recruited from the City of Toronto's child care subsidy waitlist
- At the time of recruitment, families were quite low income, almost half were headed by single parents and a high proportion were immigrants
- We have followed these families from the time the children were 3-8 months old into their early school years
- Families paid an average of \$3.33 per day for their child care at the start of the study

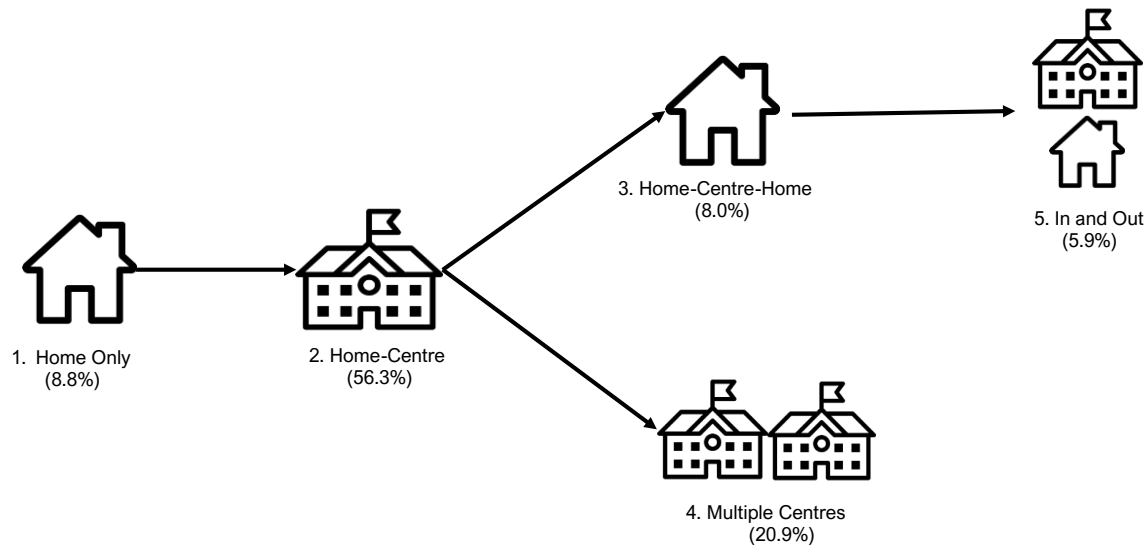
# Growth of Taxable Income from for CCM families compared to City Average 2015 to 2019



# CCM Families: Instability in ELCC



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Some reasons parents gave us for Home-Centre-Home and In-and-Out Instability:

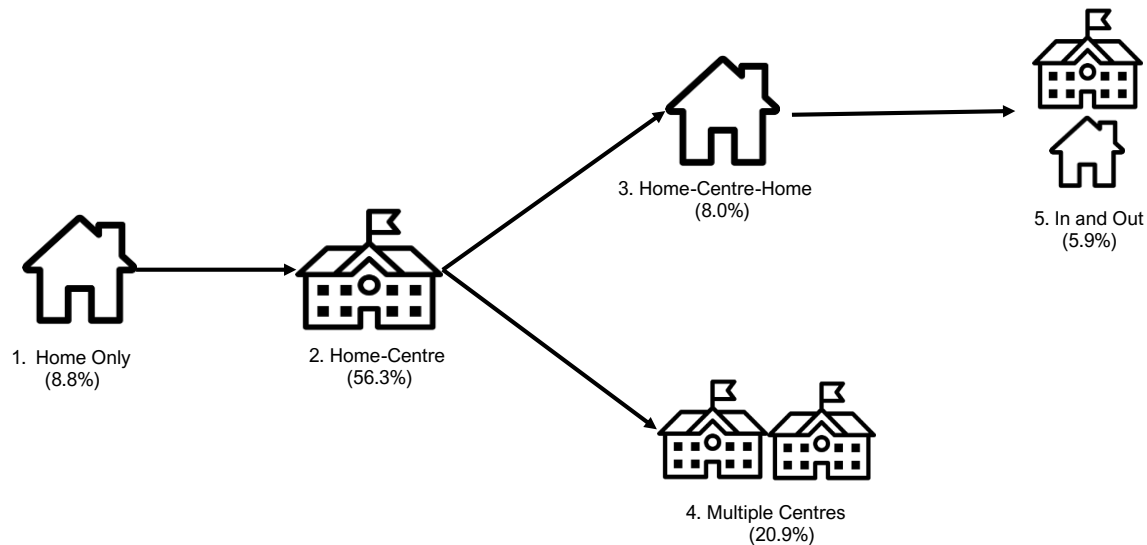
- One parent is going on parental leave due to the birth of another child
- Financial issues (e.g., job loss)

Reasons parents gave us for Multiple-Centres Instability:

- Looking for higher quality care



# CCM Families: Instability in ELCC



Some reasons parents gave us for Home-Centre-Home and In-and-Out Instability:

- One parent went on parental leave due to the birth of another child
- Financial issues (e.g., job loss)

**Children in these groups have the highest levels of mental health problems**

# What Does This all Mean???

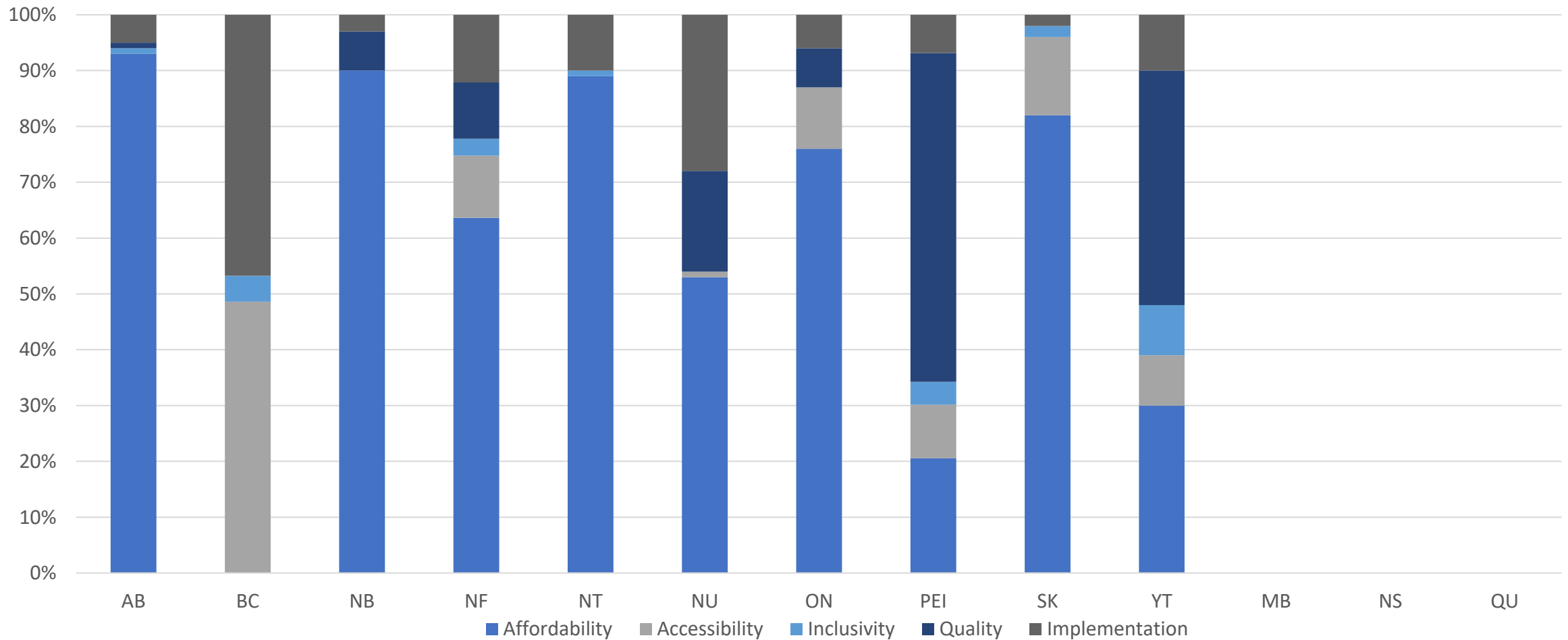
- CWELLC is going to drastically increase demand for ELCC
- Without the right policies, we have every reason to expect that low-income parents/children will be squeezed out of the market
- The activity requirement can cause instability in child care which can be harmful to children
- Also, it is unfair since higher income families who are now being heavily subsidized don't have it

# Back to CWELCC...

- Is there anything in the CWELCC agreements/amendments about efforts to to mitigate potential negative implications of CWELCC for low-income families?

# First Year of Entering CWELCC Agreements: Investment Breakdowns

Breakdown of CWELCC Funding Across Provinces/Territories



Included terms:

- Subsi\*

# Word Count: Subsidy

Proportional Frequency

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NWT: Income Assistance (IA) Program

NU: "Provide financial support to reduce parental fees..."

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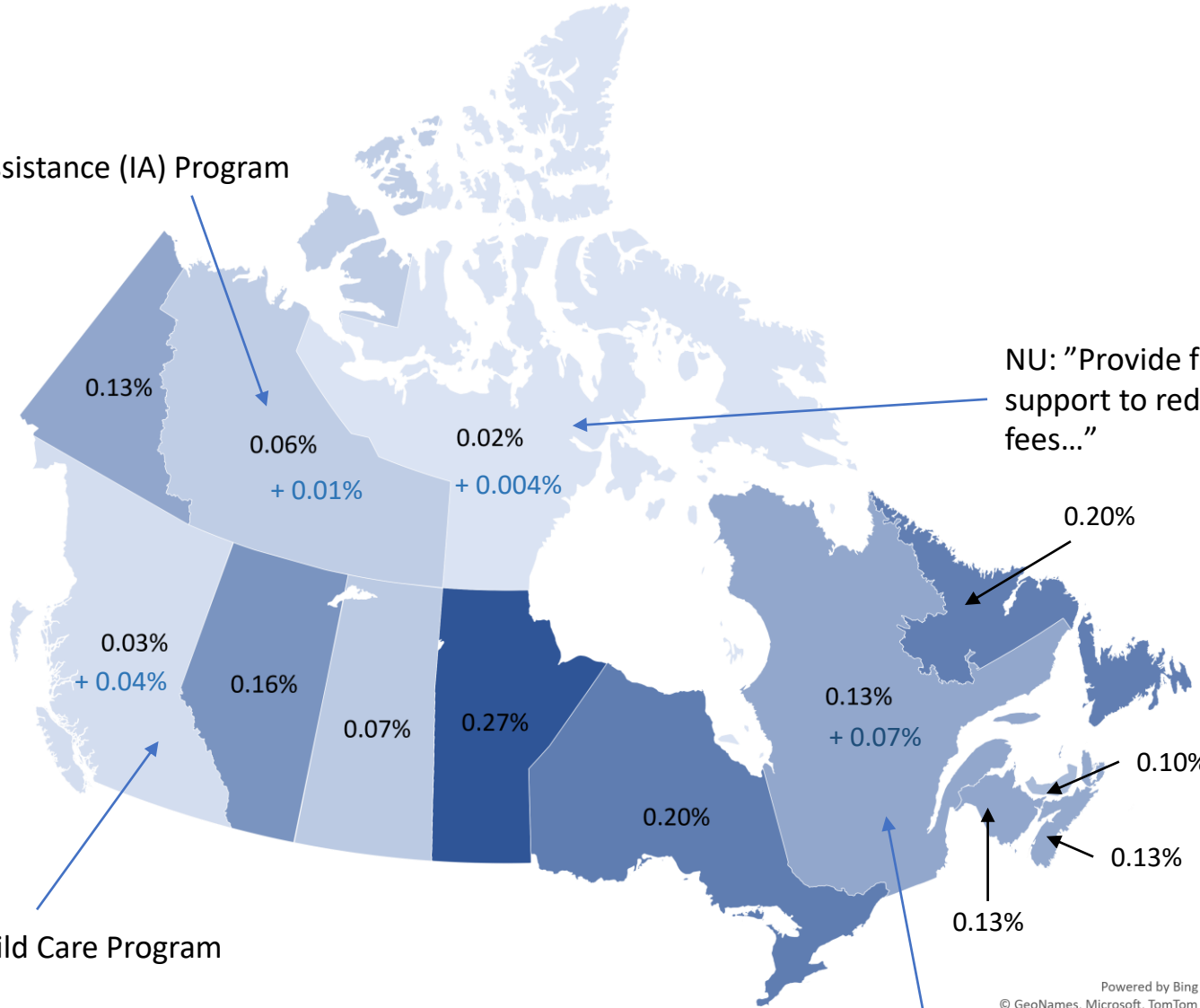
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QU: Refundable Child Care Expense Tax Credit

Powered by Bing  
© GeoNames, Microsoft, TomTom

BC: Affordable Child Care Program



# What do they say they are doing about Subsidy?

- I wish I could tell you...

# Why is Lack of Reporting a Problem?

- **Without reporting/documentation you can't have:**
  - Transparency
  - Accountability

# Critical Questions to Ask During the implementation of CWELCC:

- What are provinces/territories doing about supporting low-income families?
- Are they allocating funding to cover the \$10 per day fees for low-income families? Are they requiring that low-income families work or study to qualify for these?
- Are they doing anything to try to mitigate the Matthew effect so low-income families still get access to high quality care?



# Anticipating What Will Happen

- For higher income families CWELLC has been a windfall
- For lower-income families it likely means that they will get crowded out of higher quality services

# Possible Solutions

- **The Dream:** Publicly fund, community/school based, with enough spaces for everyone
- **The Short-Term Compromise:**
  - Sliding scale - Make child care free for low-income families
  - Get rid of the activity requirements (Pascal, 2009, Recommendation 18)
  - Until the system expands enough (both in terms of physical facilities and staffing), as a band-aid, reserve child care spaces for low-income families
- **Either Way:** Improve working conditions for ECE's

# Thank You

- City of Toronto for funding the CCM study and making data so readily available!!
- Atkinson Centre for supporting our work
- My amazing students including Sumayya Saleem, Calpanaa Jegatheeswaran, Esther Yu, Leah Brathwaite, and others

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