

Policy Brief: Advancing health equity within Canada's child-care program

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Wellesley Institute advances population health and reduces health inequities by driving change on the social determinants of health through applied research, effective policy solutions, knowledge mobilization and innovation.

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Acknowledgement of Traditional Land

We wish to acknowledge this land on which Wellesley Institute operates. For thousands of years, it has been the traditional land of the Huron-Wendat, the Seneca and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

Policy Brief

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Introduction

The Canada-wide Early Learning and Child Care initiative (or national child-care program) was first introduced in 2021, promising improved access to and affordability of child care across the country. The [key goals](#) included a focus on reducing service fees over time to an average of \$10 per day by 2026, increased funding to support the early learning and child-care workforce, expanding child-care spaces in the not-for-profit and public sectors, and enhancing the quality of child care while preserving inclusion and affordability.

“An equitable system should be accessible and affordable to all those who need it.”

Three years later, while there has been some progress towards these goals, there continue to be disparities across provinces and territories. It is clear much more needs to be done to build and maintain a child-care system that works for every child, the child-care workforce, and parents and guardians.

An equitable system should work to reduce health disparities for everyone involved and be accessible and affordable to all those who need it, regardless of their social determinants of health, particularly income, disability and non-standard work. This brief includes a short background on the development and implementation of the national program, with a focus on Ontario, and analyzes progress on child care through a health equity lens on four pillars that are crucial to progress: 1) conditions for child-care workers, 2) quantity, 3) quality, and 4) cost.

Background

Prior to the 2021 national child-care announcement, the federal government played a limited role in child-care and early education policy, which falls within provincial jurisdiction over education. This led to differences in the quality, affordability and availability of child-care spaces.

The national child-care program built upon 2017's [Multilateral Framework on Early Learning and Child Care \(MLF\)](#), which identified accessibility, affordability, high quality, flexibility and inclusivity as the five principles for early learning and child care in Canada.

The 2021 national child-care initiative involved the negotiation of bilateral agreements and action plans between the federal government and each province and territory. These agreements address specific local priorities and guide the investment of federal funds. They set the path for implementation in each province and territory. Key differences between jurisdictions included the targets and priorities identified and the policy mechanisms used to reduce fees and expand child-care spaces.

Child-care fees in Ontario are [among the highest in the country](#) and demand for regulated child-care spots continues to outpace supply. Ontario's child-care action plan included goals for reducing fees to \$10 per day by September 2025, creating [86,000](#) high-quality child-care spaces and supporting improved compensation for early childhood educators. Although progress has been made in fee reductions, the lack of child-care spaces and failures to put in place strategies to help recruit and retain child-care workers or improve quality continue to be major barriers towards achieving the goals first set out for the national program.

Four Pillars for an Equitable Child-Care System

Conditions for child-care workers

The child-care and early years workforce, including early childhood educators and early childhood assistants, is critical to building an equitable and high-quality child-care system. Currently, child-care workers are predominately [female and racialized](#). Almost 96 per cent of the workforce are female-identifying, and immigrants, refugees and asylum seekers are also overrepresented in the sector. The child-care sector is highly undervalued and is [characterized by](#) low wages, a lack of benefits and high-stress environments. This has resulted in many child-care workers facing physical and mental health [challenges](#), leading to higher rates of turnover in the sector compared to others.

Improving the health and well-being of the child-care workforce and prioritizing healthy workplaces should be foundational to the national child-care system. Without healthy, thriving child-care workers, efforts to advance the national child-care program, including increasing spaces, will be futile. The well-being of child-care workers is also linked to child-care quality and the outcomes for children attending child-care.

Wellesley Institute's [Thriving at Work: A Health-Based Framework for Decent Work](#) outlines what conditions are needed for healthy work. This includes adequate income and benefits, stable and predictable hours and schedules, inclusive workplace policies, policies that support a work-life balance and opportunities for growth. Research by the Ontario Coalition for Better Child Care (OCBCC) indicates the majority of child-care work is [not meeting](#) these healthy work standards. These shortfalls negatively impact the health of these workers, including [higher rates](#) of depression, anxiety and stress. This can contribute to growing disparities in health outcomes for workers in the child-care sector.

Although there have been some initiatives to improve workplace standards, including raising wages for registered early childhood educators from \$20/hour to \$23.86/hour and some enhanced funding for professional development training, these are not sufficient. More focus and investment is necessary to improve working conditions and progress on health equity.

Quantity

Before the national child-care program was introduced, demand for child-care spaces was [significantly greater](#) than supply due to chronic underfunding. Although some steps had been taken in Ontario that would have alleviated some of that pressure, [such as full-day kindergarten](#), many families in the Greater Toronto Area and other regions continued to face challenges in finding a space.

Parents or other caregivers who cannot find a space at all will not be able to work, or work at their full capacity. This negatively impacts health equity for those who cannot access child care, particularly women, who have historically been the primary child-care providers within the household. Lack of access to child care also has particular impacts on low-income workers (who are likely to lack resources to find other solutions), parents or guardians of children living with disabilities (who face additional challenges in finding child care spaces) and those working non-standard hours (for whom there are limited, if any, child care options).

The expansion of child-care spaces is a central element of the national child-care program across all provinces and territories. Unlike fee reductions, increasing spaces for child care has made considerably little progress, with great disparities across provinces and territories. As fees have reduced, demand for regulated, affordable and quality child-care spaces has increased. Since Ontario signed on to the national program, waitlists for spaces have grown significantly, with media reports stating that some municipalities with centralized waitlists have an average wait time of [over six years for licensed child care](#), close to double the time it was in early 2022.

Licensed child care in Ontario is largely delivered privately through for-profit and not-for-profit providers, and to a lesser extent by municipalities through publicly operated programs. The initial priority of the national child-care program was to expand spaces predominately in the public, not-for-profit sectors. Compared to for-profit child-care spaces, research shows that non-profit child-care centres generally have lower fees, have consistent high quality, and are more financially transparent. Despite this, most provinces, including Ontario, have fallen behind in creating not-for-profit spaces. One reason is that Ontario currently grants child-care operators [less than one-third](#) of the costs associated with starting a child-care centre. These are costs that include renovations and equipment purchases. This lack of capital funding

makes it much more difficult for not-for-profit providers to create child care spaces.

Access to licensed and affordable child-care spaces should not be a luxury and should not take the amount of time it currently does. Meeting the current demand and ensuring enough spaces to keep up with population growth is critical and the province must move quickly to build those spaces. Every child who needs it deserves access to a quality child-care spot near their parent or guardian's home or work, at the times they need to be cared for.

Quality

High-quality child care is essential for the healthy development and growth of children and has broader positive impacts on families and communities as a whole. Quality child care is important for health equity as research shows it has a direct and lasting influence on children's physical, emotional and social development. If quality child care is only available to some families and their children, families who cannot access it will see their health equity impacted. It is also an opportunity to address external challenges to physical as well as mental health and well-being for young children, such as [adverse childhood experiences](#).

Child care workers are the most important factors in determining quality of child care. [Research shows](#) that high-quality child care is characterized by a number of factors, including stable and consistent caregiving, small group sizes, educators that are well-trained in early childhood education, and adequate health, safety and physical environment standards. Good working conditions for the child-care workforce, including having adequate wages and benefits, also increases the quality of child care.

Currently, quality is not receiving enough focus. While much government, media and public attention has been on reducing fees and increasing spaces, little has been done to outline a vision for improving the quality of child care and what targets and measures are needed to achieve it.

Cost

Affordable child care is an essential component of an equitable child-care system. It is crucial for the health and well-being of families. The cost of child care makes up a significant portion of a family's cost of living, just behind the

costs associated with shelter and savings and debt. Wellesley Institute's 2021 [Thriving in the City for families: A framework for income and health](#) report found that the cost of child care for a family with two parents (25-49 years old), one preschool-age child (2.5-5 years old), and one school-age child (6-12 years old) was \$18,267 per year on average.

For many families, the cost for child care has reduced since 2021. According to the Canadian Centre for Policy Alternative's [2023 report](#) on Canada's progress towards \$10-a-day child care, Ontario reduced fees by an average of 52.75 per cent between 2020 and March 2022. In the City of Toronto, median infant child-care fees went from \$1,866 a month to \$903 a month, and preschool fees also dropped by close to 50 per cent.

These fee reductions have made a huge, positive impact on families, particularly considering the rising cost of living. However, it is important to note that many low-income families may still be excluded due to not being able to afford even these reduced costs.

Every family needs to be able to afford child care, whether through sliding-scale fees, targeted subsidies or other mechanisms.

Discussion

Much more work needs to be done to ensure the national child-care program advances health equity. As outlined above, action must be taken to improve the health and well-being and working conditions of the child-care workforce, to improve quality, to increase access, and to reduce the costs of child care. Work on this will require collaboration and coordination between all levels of government, child-care workers and stakeholders.

The following recommendations would bring progress on these four pillars and advance health equity:

- **On conditions of work:** The federal and provincial governments should work in coordination with the child-care workforce, community members, experts and other stakeholders to develop and implement a health-focused workforce strategy. This strategy must include implementing [recommendations from child-care experts](#) and advocates, including increasing funding where necessary to raise wages and provide benefits, developing and establishing standards for decent work, and forming an Advisory Committee of diverse representatives from the workforce to inform ongoing policy development.

As that work takes place, the provincial government should increase wages and benefits, work to [provide pensions](#), and create professional development opportunities for child-care workers. The federal government should begin research and consultations to ensure future child-care or other related negotiations have robust plans and oversight in this area.

- **On quality:** The federal and provincial governments should work in coordination with the child-care workforce, community members, experts and other stakeholders to develop a vision of what children and their caregivers should receive and achieve from a world-class child-care system that sets up children for success and best reduces the impact of any external challenges they face.

The provincial government should take steps to ensure child-care workers have the necessary resources and supports to support children's physical and psychological development. This includes being able to respond and adapt to the different needs and abilities of children, including those who have adverse childhood experiences.

- **On quantity of spaces:** The provincial government should increase the number of high-quality spaces until every child in need of a spot has one. They should also ensure availability of a proportion of those spaces beyond the traditional “9-5” timeslot to support more equitable access for those currently impacted by a lack of child care. The federal government should ensure their oversight of commitments in the current agreements in this area is robust.

The provincial government must ensure that efforts to expand not-for-profit child-care spaces are prioritized. This should include increasing provincial funding to non-profit providers and [school boards](#) to cover more, if not all, of the capital costs needed to build new child-care centres.

- **On cost:** Although child-care fees have been significantly reduced in most regions, other areas such as child-care quality are falling behind. The federal government should identify areas for improvement and greatly expand consultations with stakeholders to develop a national vision and targets for improving the quality of child care across the country, such that it meets the needs of every child, all child-care workers and families. Provincially, the government should introduce funding that ensures every family can afford a space.

“We will all benefit from creating a bright future for young children.”

Finally, although municipalities do not have the same powers over child care as other levels of government, they should do what they can to advocate, where appropriate, that they have the funding and resources needed to ensure child-care centres advance health

equity through the pillars outlined in this brief. Building a child-care system that advances health equity requires significant progress on all four pillars of conditions, quantity, quality and cost.

Making all of these priorities – and advancing them – will help children, parents, workers and everyone in Canada. We will all benefit from creating a bright future for young children.

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