

KIDS FIRST PARENT ASSOCIATION OF CANADA

www.kidsfirstcanada.org

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PRE-BUDGET CONSULTATIONS SUBMISSION

2009

EXECUTIVE SUMMARY

Kids First Parent Association of Canada is a national charitable organization supporting optimal child well-being and parental child care since 1987. We are non-sectarian, non-partisan, volunteer run. We receive no funding from government, business, or unions.

The political is the personal. Child-rearing has undergone profound changes in recent years. These changes make socially sustainable child rearing unavoidably significantly more costly in labour and other inputs. These high costs have contributed to an unsustainably low birthrate.

But children's developmental needs have not changed. The need for parent-child attachment that is the basis premise of developmental psychology has been established by empirical studies. There is no short cut, no 'economies of scale', when it comes to rearing responsible, contributing, healthy, ethical adults – what some call "human capital formation". Since the 1990s, the policies of a false economy have insisted on labour force attachment at the expense of parent-child attachment.

RECOMMENDATIONS

1 – eliminate preferential funding of non-parental child care by combining and transferring all funding, provincial transfers, benefits, deductions, credits, and advocacy-based research funding related to child care, child rearing, early learning and the like to a **Universal Child Benefit** paid directly to parents of children 0-18 through the tax system in the form of a refundable tax credit or a similar mechanism so the maximum benefit for 2 or 3 children is not less than the average full-time wage.

2 – allow family taxation ("income splitting") on the **French model** which takes into consideration the number of children as well as adults supported by family income.

3 – adopt a measure in addition to the GDP to measure true economic growth, one that includes as productive work unwaged family care work.

THE FALSE ECONOMY

Top policy advisers from the OECD, the RAND Corp, and the World Bank at the international level, to groups like the Human Early Learning Partnership (HELP) at UBC, the Child Care Advocacy Association of Canada, Fraser Mustard's Council for Early Child Development, CUPE and many more have advanced variously worded Utopian schemes promising that we will all be better off when children spend less time with their parents, and parents spend more time as GDP-counted labour supply. But there will never be enough money or enough staff to provide high quality universal institutional child care. Not even in Sweden where the OECD and the Swedish government both report a "problem of quality" in the OECD's "model" daycare system.

Through the reality-distorting effects of their largely tax-funded campaign of dis-information consisting of **hundreds of non-peer reviewed reports**, such groups have grotesquely distorted child and family policy, and damaged the prosperity of Canadian families and our nation.

One key example of the dis-information is the claim that for every \$1 'invested' in 'ECEC' \$2 – over \$17 are saved in reduced crime and social costs later on. Thus HELP claimed in its 2009 presentation to this committee that Canada will save \$3.1 trillion down the road. **Nobel Prize Laureate economist Dr James Heckman** was again cited as supportive. However, Heckman

opposes the very universal programs these groups demand, saying **there is “no evidence”**. He supports vouchers targeted to very underprivileged families to use in programs run by community and faith groups, and not in a state-run system. “An Interview with James Heckman”
<http://www.kidsfirstcanada.org/Bernard-van-Leer24-29.pdf>

Their misogynistic “**post maternalist**” and “**post-familialist**” policies have distorted the economy and child rearing. Transferring direct support to families into heavily subsidized institutional child care and “work fare” has artificially **swollen the labour supply** with a forced labour force. Thus the market **price of labour is artificially low**, more job time is needed, **families are time-stressed**. The social and economic status of those who do family care work is reduced while others’ status, income, and power is artificially inflated. The state’s daycare subsidies indirectly subsidize low wage employers: a form of **corporate welfare**.

Government policy that undermines **children’s developmental needs** results in **negative outcomes for children and society**. But the false economy – that is the GDP economy - might well grow as we transfer time from the unwaged family sector to the GDP-counted family replacement sector. The GDP grows when families spend less time on cooking, chores, and tobogganing in order to spend more time acquiring job income. Or when families spend more money on convenience food, electronic entertainment, vehicles, gas. And when the government spends more on riot squads, police, Ritalin, infections spread in group child care, remedial education, obesity, suicide, addictions, family break down, cheating by university students, and of course researching all of these.

TRUE ECONOMIC SUSTAINABILITY NEEDS REPRODUCTIVE SUSTAINABILITY

The **birth rate has fallen 60% from a peak of 3.9 live births per woman to about 1.5** today, with 2.2 considered replacement level. The low birthrate has led to **dependence on immigration** which has been critiqued as unsustainable and recently a net cost. Additionally, attracting immigrants creates injustice and distortions in countries of origin. As we all know, the declining number of children is a growing economic concern given the **increasing care needs of elders**.

But the birthrate does not reflect women’s desired fertility. OECD data shows **desired fertility is over 2.5 children per women** in Canada (2000).

Trends and Determinants of Fertility Rates in OECD Countries: The Role of Policies
<http://www.oecd.org/dataoecd/7/33/35304751.pdf> p. 42

An OECD data shows that **fertility rates increase with increased proportion of GDP spent on family cash benefits**. *Low fertility rates in OECD countries: facts and policy responses* p38

<http://www.oecd.org/dataoecd/13/38/16587241.pdf>

ECONOMIC SUSTAINABILITY FOR FAMILIES: THE HIGH-COST, LOW-STATUS REALITY OF CHILD-REARING TODAY

Though it is routinely said that mothers are “working” more than ever, this is erroneous. Womens have reduced unwaged work by having fewer children and thus have more time for GDP sector work. Nevertheless, the majority of children do not have mothers in full time paid jobs away from them. Those claiming 70+% of mothers “work outside the home” deliberately mislead: **Labour Force Participation rates** include those who: are on leave, do any paid work at all, do unpaid work in a family enterprise, do paid work with children present, are looking for a job, etc.

Birth rates are unsustainably low largely because **child rearing is much more labour and cost intensive** today. Moreover, GDP-counted activities are officially honoured while non-GDP counted activities like child-rearing - once highly esteemed – are **economically dis-valued and politically marginalized**. Since women place a higher priority on having children and working at caring for them, it is women as mothers who are themselves disvalued by the false economy. This **political disvaluing of mothers** ‘trickles down’, further decreasing birthrates.

Counting unwaged child-rearing work in economic measures and definitions of ‘work’ will provide a correction to these distortions.

2 REASONS FOR CHILD-REARING COST INCREASES

1 – FEAR-DRIVEN SUPERVISION

In past we could ‘go out and play’ from the time we could walk. Our parents could easily multi-task – read, cook dinner, clean the house, shop, or mow the lawn while we played in the yard, at the park, down the street, or rode bikes across town. No worries.

No more. Now, 20 years after a Victoria tot names Michael Dunahy disappeared from his mother’s side in a park, after Clifford Olson and Paul Bernardo, after a little Toronto girl was taken from her bed, etc. almost all children including most teens, are under adult supervision almost constantly. The RCMP recommended that parents remain within arms reach and not even hold a conversation while supervising their kids in a park.

Those of us who are less fearful of predators and pedophiles fear social workers investigating us for neglect. Or we fear traffic: we are advised not to let a child cross the street alone until age 10.

This represents a radical change in child-rearing. Yes, it takes a village, but for most, **there is no village**. This is unlikely to change soon, regardless of government policy.

Fear and the loss of the village means parents must be with their children all the time, or we and/or the government must pay someone else to be. This expenditure of non-GDP counted time or of cash represents a massive increase to the cost of child-rearing.

For these same reason, walking to school or soccer is seen as unsafe so driving children is seen a necessity. Hence the 2 or more car family is the norm and all the cost of that. Hence the use of fast food: shopping, cooking and cleaning up are exchanged for time needed for supervising, driving and waiting to drive children back.

2 - MATERIAL & EDUCATIONAL EXPECTATIONS

Whereas in the recent past it was considered normal even for children in higher income families to share a bedroom; this is no longer the case. Parents are expected to pay for and provide a computer, cel phone, lessons in the arts, formal sports. Homework and activities mean children now contribute little to the household economy. Schools, sports and other groups aggressively promote trips and ‘retreats’ for kids even in elementary school to ski resorts, Hawaii, Japan, UK. Most of us resist some of this, but the pressure is high and the dollar costs are very substantial.

Because children no longer have unsupervised access to the outdoors they are inside homes when not at supervised activities. This means in-home entertainment: sedentary activities like tv, computer games, Facebook, etc. These keep children quiet, controlled, safe and parents calm. Unlike creative play, they prevent a lot of mess for parents to clean up. As a result, kids get fat,

have poor muscle tone, long term health problems, and damaged development. Much of the cost of remedying these ills falls to government.

Add to this the expectation that parents will pay costs of post-secondary studies.

PROBLEMS WITH PREFERENTIALLY SUBSIDIZING NON-PARENTAL CHILD CARE AND ESPECIALLY INSTITUTIONAL CHILD CARE

Low usage: Only 14.9% of children 6 months to 5 years are in daycare centres (Stats Can 2006).

Supply exceeds demand for daycare centres: the majority of daycare centres reported **vacancies**. *You Bet I Care! Report 1*, 2000, pp. 163-168 http://action.web.ca/home/cfwwb/attach/ybic_report_1.pdf
Toronto daycare centres with subsidized spaces have a **vacancy rate of about 7%**
<http://www.kidsfirstcanada.org/supply-demand.htm>.

Low preference: 9 of 10 parents prefer parental child care, daycare centres are ranked choice #5 (Vanier Inst 2004)

Schedules: institutional child care (daycare centres, all day kindergarten) cater to those with 9-5 Mon-Fri jobs outside the home.

Direct costs: institutional care necessitates costly inputs that other care forms do not: buildings, land, training, inspections, policing, bureaucracy, sanitation due contagion, etc.

Costs related to worse outcomes for physical health, cognitive ability, behaviours:

The very rigorously peer-reviewed National Institute for Child Health and Human Development study of child care effects found that more time in centre care, even of high quality, was uniquely directly associated with increased **negative behavioural outcomes up to at least age 15** when it is described as increased “risk taking” behaviour. “Are there long-term effects of early child care?” Child Development, (2007) <https://secc.rti.org/abstracts.cfm?abstract=87>

Sweden’s National Board of Health & Welfare says **daycare children are 6.78 times more likely to be sick** than children in parental care. p.15 *Smitta i förskolan (Contagion in preschool)*
http://www.fhi.se/Documents/Vart-uppdrag/BoU/Uppslagsverket/Smitta_f%C3%B6rskola.pdf

A prize-winning peer reviewed report on Quebec daycare published in the *Journal of Political Economy* states: *“We uncover striking evidence that **children are worse off in a variety of behavioral and health dimensions, ranging from aggression to motor-social skills to illness. Our analysis also suggests that the new childcare program led to more hostile, less consistent parenting, worse parental health, and lower-quality parental relationships... The consistency of the results suggests that more access to childcare is bad for these children.**”* *Universal Childcare, Maternal Labor Supply and Family Well-Being* p1,4 <http://www.chass.utoronto.ca/cepa/childcare.oct2005.final2.pdf>

After over 30 years of preferentially funding daycare centres, Swedish 15 year olds score at or below the OECD average on **PISA tests**, and **considerably below Canadian teens near the top**.

Peer-reviewed studies report harmful **raised cortisol levels** in children at daycare. Cortisol is a key factor in brain development, emotions, immunity. “Morning-to-afternoon increases in cortisol concentrations for infants and toddlers at child care age differences and behavioural correlates.” *Child Development*, 74(4)