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New Deloitte report makes the economic case for early learning and child care

The Margaret and Wallace McCain Family Foundation Inc. (MWMFF) is pleased to release a new report by Deloitte that makes the case for bold investment in early learning and child care in order to spur economic growth in the wake of the COVID-19 pandemic. The report – titled [*Early Learning and Childcare as Key Economic Infrastructure*](#) – finds that early learning and child care (ELCC) is a significant economic driver that can facilitate a robust recovery and put Canada on a higher trend growth path.

“Canada has a history of underinvestment in early learning and child care in terms of funding, enrollment and duration of early learning relative to its international peers,” says Craig Alexander, Chief Economist and Executive Advisor at Deloitte. “As we look for ways to accelerate economic growth post-pandemic, we should take advantage of an opportunity to address this critical investment gap.”

Here are the highlights:

1. Early learning and child care is a significant economic driver that can support a robust post-pandemic recovery in Canada

Investments in ELCC are not only an ideal source of economic stimulus for the current pandemic, they can also put Canada on the path to stronger, more resilient, and more inclusive economic growth.

2. Early learning and child care help address the “she-session” and support parental workforce participation

The pandemic recession disproportionately impacts women due to their overrepresentation in sectors of the economy that have been most exposed to the downturn and lockdown measures. The closure of schools and child care centres across the country also pushed many women out of the labour force. ELCC enables parents – particularly women – to return and participate in the labour market.

3. Canadian children and families have less access to early learning opportunities than their international peers

From an enrollment perspective, Canada is significantly below the OECD average for children enrolled in early childhood education under the age of 5. The portion of students in Canada who have no, early learning opportunities is significantly higher than peer countries.

4. Early learning levels the playing field

Evidence suggests that access to affordable, high-quality early learning and child care contributes to reducing income inequality. In addition, children who attend ELCC tend to retain their academic advantage throughout life, leading to higher wages when they enter the workforce.

5. Reduced special needs education

ELCC reduces the need for, and cost of, special education when children enter the school system in the US, the UK, Canada, and other advanced economies.

6. The benefits of early learning and child care far outweigh the costs

Economic benefits are derived from higher rates of labour market participation, better outcomes for children who receive early childhood education and reduced spending on social supports. Cost-benefit ratios show a range of estimates with every \$1 invested generating an economic impact of roughly \$1.6-\$5.8.

Making an early learning and child care system a reality

The Government of Canada signaled its support for a pan-Canadian ELCC system in its 2020 Fall Economic Statement. This report helps call on governments at all levels to take the necessary next steps to finally make a universal ELCC system a reality.

We know that momentum is growing. The federal government has announced its intention to collaborate with provincial and territorial governments to move forward. This is an important first step to ensuring every Canadian family can access high-quality early childhood education.

Learn more about universal, high-quality and publicly funded early childhood education at:

<https://earlyyearsstudy.ca/>

Regards,



Hon. Margaret Norrie McCain