

NEWS RELEASE

Quebec's experience with government-subsidized daycare a warning for B.C.

March 22, 2018
For immediate release

VANCOUVER—Policymakers in British Columbia should heed the warnings from Quebec's twenty-year experience with "universal" government-subsidized daycare, which has proven costly for taxpayers and has not paid for itself, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

"B.C. is not the first jurisdiction to go down the path of government-subsidized daycare—Quebec did it 20 years ago, and Quebec's experience should serve as a warning, not a blueprint," said Vincent Geloso, Fraser Institute researcher and author of *Subsidized Daycare—What British Columbia Can Learn from Quebec's 20-Year Experiment*.

The B.C. government pledged \$1 billion over the next three years in its recent budget as a first step towards "universal" subsidized daycare similar to Quebec's.

But the study finds Quebec's program has proven costly with the provincial government spending \$2.3 billion last year on its subsidized daycare program—an average of \$9,772 per child. Notably, Quebec's daycare costs per child have doubled (after accounting for inflation) since the program was introduced in 1997.

Advocates of government-subsidized daycare claim those costs are offset and that the program pays for itself because increased participation in the work force by women leads to higher tax revenues for government, but research suggests otherwise. In fact, Quebec's increased maternal workforce participation—also the result of unrelated changes to the federal employment insurance program—was insufficient to cover the increased costs of government-subsidized daycare.

Crucially, whereas the maternal employment rate in Quebec in 1997 was 69.7 per cent, Quebec's rate in 2017 was 83.1 per cent, while British Columbia's rate last year was only slightly less at 78.8 per cent. This means the potential gains to be made in B.C. will be much smaller because the province would not start from the same low maternal employment rate as Quebec did in 1997.

What's more, child development outcomes from Quebec's daycare program are mixed, and there is evidence of significant negative effects on non-cognitive abilities such as social and other "soft" skills.

Finally, the availability of vacant daycare spots in B.C. may not even be a problem, which raises questions about the need for significant government intervention. According to previous research, the average provincewide daycare vacancy rate in 2016 was 30.9 per cent, meaning there are many unused daycare spots. In the heavily-populated Vancouver and Richmond areas, the average vacancy rate was 24 per cent.

"Policymakers in B.C. should heed Quebec's warning, and instead consider providing resources directly to families to help cover the costs of whatever individual approach to daycare works best for them," Geloso said.

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