



Rural childcare IN MANITOBA

NEW ECONOMIC EVIDENCE

In 2007, we “followed the money” to analyze the impact of childcare in Thompson, southwestern Parkland and in St-Pierre-Jolys. We found childcare is both an industry in its own right, as well as being an infrastructure that enables other sectors of the rural economy to function. Our economic approach complements long-standing evidence that confirms the value of childcare on children’s development.

In Thompson, we found that the childcare sector is made up of 337 licensed childcare spaces that collectively generate \$2.1 million of direct revenue (through government funding and parent fees). Parkland’s 362 licensed spaces are worth \$1.73 million locally, and St-Pierre-Jolys’s 76 licensed spaces have total revenues of over \$455,000 per year.

These figures are impressive enough on their own, but their real impact is even larger. Using the economist’s technique of input-output analysis, we tracked how dollars raised in the childcare sector “ripple” through the local economy. Every \$1 spent on childcare in Manitoba generates \$1.58 worth of economic activity – meaning Thompson’s \$2.1 million childcare sector has economic impacts worth \$3.4 million. In Parkland, the ripple effect of childcare generates \$2.74 million annually, and in St-Pierre-Jolys, the value of childcare grows to over \$700,000. Childcare, with its \$1.58 of activity for every \$1 of immediate spending, is a competitive element in local economic development.



By Susan Prentice, Ph.D.,
Associate Professor,
Sociology,
University of Manitoba



Childcare is a labour-intensive industry, a major contributor to its impressive local impact. In Parkland, the sector employs 76 full and part-time staff; in Thompson, childcare employs 64 early childhood educators full-time, and in St-Pierre-Jolys, the childcare sector creates 16 full and part-time jobs.

In addition to its direct job-creating impact, childcare has good employment multipliers. The employment multiplier is the estimate of jobs created or supported by a sector through industry spending in other sectors. We found 0.49 jobs are created or supported by every full-time childcare position.

Thompson's childcare system, for example, employs 64 full-time early childhood educators. The childcare sector, however, creates a total of 95 full-time equivalent jobs when its employment multiplier is taken into account.

In rural areas, where jobs for women

can be in short supply, the direct and indirect job creation effects of childcare are particularly impressive.

These reports are the first childcare economic impact studies in Canada. In the US, by contrast, at least 71 economic studies of childcare have been completed at the state or regional level since 2000. One comprehensive report examined the economic linkage effects of the childcare sector in all 50 states. It showed that childcare has output multipliers that "are higher than most other sectors," and are "equally strong or greater" than retail and tourism and other social infrastructure, such as hospitals, job training, elementary and secondary schools and colleges and universities.

Childcare services are scarce in rural Manitoba. Even though few parents have access to a licensed childcare space, the earning power of childcare-using parents is sizeable. In Parkland, for example, the labour force participation of mothers and fathers whose children are in full-time childcare is worth \$12.4 million/year. In Thompson, the earnings of parents who are full-time users of childcare approach \$19 million/year. In St-Pierre-Jolys, working mothers and fathers using full-time childcare earn \$3.6 million/year.

Other economic and social impacts of childcare are equally extensive.

Background to AMM motion on Childcare

At Rural Forum 2007, the all-day session on *Childcare: Your Community's Competitive Advantage* caught the imagination of **Ilse Ketelson**, Councillor for the RM of Rossburn. At the workshop, Ketelson heard new research about the economics of childcare, learned about successful rural projects, and found out how childcare had revitalized small communities. Within weeks, the hard-working councillor had crafted a motion supporting rural childcare, and brought it to her RM. By early summer, the Midwestern District had approved the motion, and in late November, support for rural childcare became official AMM policy as Convention Resolution #16/07.

WHEREAS childcare is an essential element of rural infrastructure, helping rural families to combine work and family, enabling parents to earn off-farm income, and thus strengthening the rural economy;

AND WHEREAS childcare services promote farm safety, and can mitigate out migration and population decline;

AND WHEREAS childcare services have significant local economic impacts in the short-term, as every \$1 spent on childcare generates \$1.58 of economic benefits through ripple effects; childcare services create employment for early childhood educators; and the spending from every 2 childcare jobs supports another full-time job, in addi-


tion to enabling parents labour force participation; and

AND WHEREAS high quality childcare services also generate significant economic effects in the long-term, by promoting children's development, school-readiness, and helping children who are disadvantaged by poverty;

AND WHEREAS over half of mothers in rural areas are in the paid labour force, and face barriers to paid employment when childcare services are absent;

AND WHEREAS licensed childcare services exist for just 14 per cent of Manitoba children aged 0-12, parent fees are high and subsidies are restrictive, and trained early childhood educators are scarce, due to low wages and benefits;

A 2005 case study of immigrants to Parkland found that lack of childcare was one of the negative aspects of living in the community. Childcare services may help mitigate out-migration and rural depopulation. The lack of childcare is a major barrier to northern women who want to return to post-secondary education, and has a disproportionately negative impact on Aboriginal women and their children. Northern cities like Thompson have severe labour shortages that could be remedied by more quality childcare service. In farming communities, Keystone Agricultural Producers is backing a childcare plan out of its concern to improve farm safety and decrease child farm accidents. These examples are among the myriad ways that local economies and thoughtful local leaders can see the impact of childcare.

At its 2007 Convention, the AMM decided to work with the Province of Manitoba to establish more rural childcare services to strengthen the rural economy. Based on the economic evidence about the immediate impact of childcare, we can predict that expanded childcare service will continue to produce impressive input-output results and continued strong employment multipliers. Over the longer-term, in combination with childcare's contributions to healthy child development and greater family support, we can anticipate even stronger economic and social returns. 

Sources

Franco-Manitoban Childcare: Childcare as Economic, Social and Language Development in St-Pierre-Jolys 2007. Child Care Coalition of Manitoba
Rural Childcare: Childcare as Economic and Social Development in Parkland. 2007. Child Care Coalition of Manitoba
Northern Childcare: Childcare as Economic and Social Development in Thompson. 2007. Child Care Coalition of Manitoba (www.childcaremanitoba.ca)

Further reading

Jan Wehner, Betty Kelly, Susan Prentice, 2008. Rural and Northern Childcare: A Summary of Economic and Social Evidence from Manitoba. Rural Team Manitoba Women's Group. (http://ruralteammanitoba.cimnet.ca/cim/170C416_673T29018T672T29003.dhtm)

About the author


Susan Prentice, Ph.D., is Associate Professor in the Department of Sociology at the University of Manitoba. She was principal investigator for the Child Care Coalition of Manitoba's research project on the economic and social impact of childcare in Thompson, Parkland and St-Pierre-Jolys. She can be reached at Susan_Prentice@umanitoba.ca

Therefore Be It Resolved That

the AMM lobby the Province of Manitoba to provide more capital and operating grants for smaller rural operations to establish local childcare services and through encouraging the provincial government to provide incentives to increase the pool of trained early childhood educators in rural areas.

The workshop on childcare built on years of steady work by providers, parent-child coalitions, Healthy Child Manitoba, and others concerned with the quality of life in rural and northern Manitoba. It reinforced the policy of the Federation of Canadian Municipalities. The tipping point may have been the new

economic evidence about the impact of childcare as an economic sector. With impressive local employment multipliers and with every \$1 of childcare spending leveraging \$1.58 of regional economic activity, AMM members realized it was time to put their organization solidly behind the development of a childcare system that worked for rural and northern Manitoba.

The AMM recognized that 21st century rural infrastructure must include services to help rural families balance work and family, while supporting the early learning and care of rural children. With Resolution #16/07, the AMM has the tools to move forward on childcare. 



Manitoba's Premier Fireworks Company

www.archangelfireworks.com

ARCHANGEL FIREWORKS INC

104 Pembina Highway
 Winnipeg, Manitoba
 204.943.3332
 toll free 888.868.9329