



# **Childcare & Economic Development:** **Making the Connections for Community Success**

*Lessons from Winnipeg, St. Claude, and Rural/Northern Manitoba*

**Presented to Winnipeg CED Gathering  
November 23, 2007 • Winnipeg**



# Outline

## 1. Introductions

## 2. Overview of economic evidence

- Susan Prentice

## 3. Presentations

- Childcare & CED: Betty Kelly
- St. Claude: Bryan Spencer
- Point Douglas: Susanne Williams

## 4. Discussion & Questions





# Presenters

## **Susan Prentice**

University of Manitoba/ Child Care Coalition of  
Manitoba

## **Betty Kelly**

Long-time childcare professional/ Member Rural  
Team, Women's Working Group

## **Bryan Spencer**

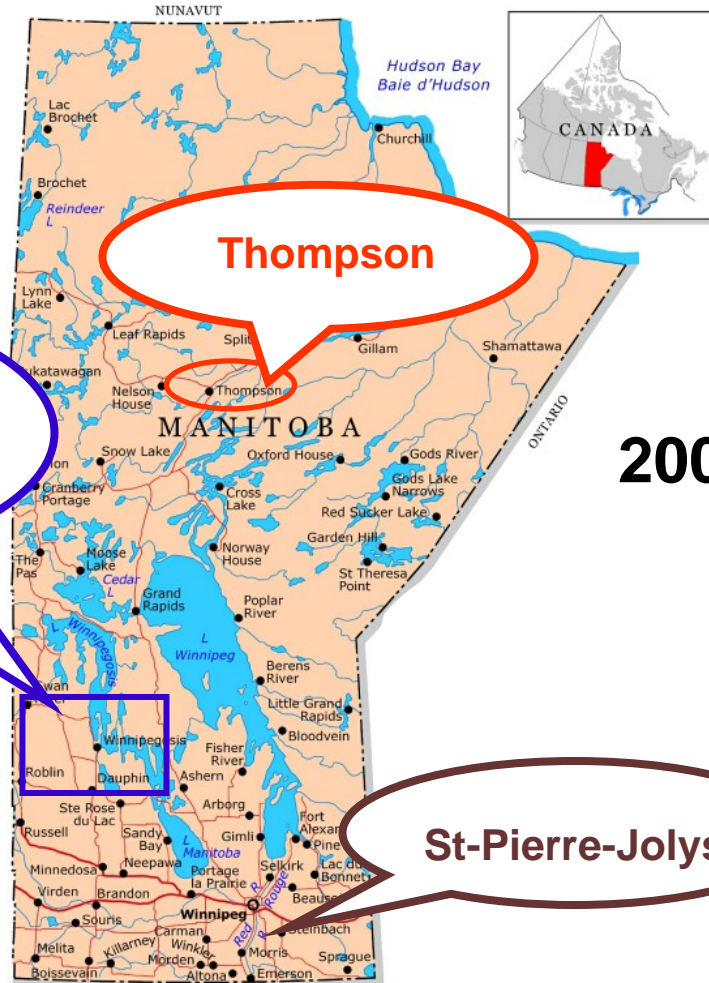
Former councillor/ Founding member of the St Claude  
Community Development Corporation

## **Susanne Williams**

Executive Director, Eagle Wing Early Education Centre  
(Point Douglas, Winnipeg)



# Child Care Coalition of Manitoba 2007



**Parkland**  
(RMs of Dauphin, Ethelbert, Gilbert Plains, Grandview, Hillsburg, Shell River, and Dauphin, Ethelbert, Gilbert Plains, Grandview, Roblin)

**St-Pierre-Jolys**

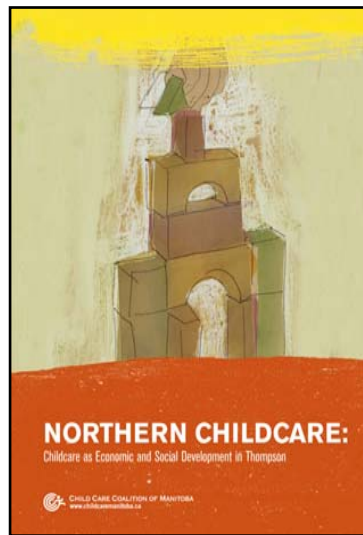
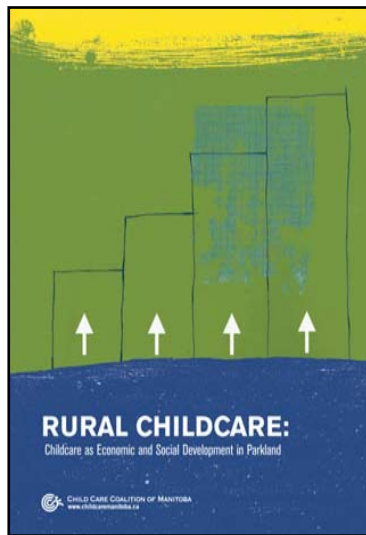
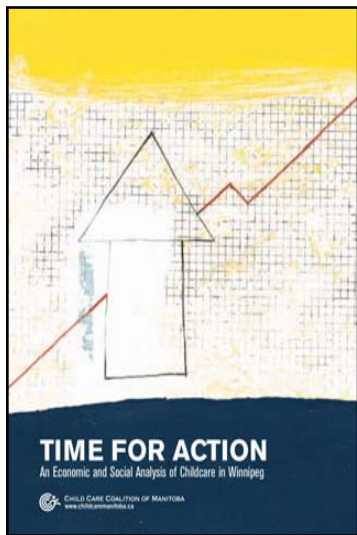
**2004 Winnipeg**



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# CHILD CARE COALITION OF MANITOBA

## Rural, Northern, Franco-Manitoban Childcare As Economic, Social & Language Development



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# Strategic Intervention

*In addition to being critical for social justice...*

- Childcare is social infrastructure for economic and social development
  - Childcare is economic development in its own right
  - Critical component of business productivity and regional economic growth
  - Childcare - CED connection
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# Economic Returns from Childcare

- **Better child outcomes**
  - Early education, school readiness, children in poverty, life-time productivity, social inclusion
- **‘Parent’ incomes and quality of life**
  - Income today and tomorrow; education and training
- **Regional economic health**
  - Linkage effects, input-output multipliers

*.....From negative to positive*

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# Economic techniques

- **Cost-benefit**
  - Costs - returns = benefits
  - long-term analysis, generally on child outcomes (Canadian problem, given lack of data) or parent productivity
- **Input-output**, also known as ‘multiplier’ analysis
  - Shorter-term measures of economic activity, *separate* from cost-benefit returns

# Different Economic Approaches

## Cost-Benefit

### USA

**Perry Pre-School:** \$1 - \$17

**Abecedarian Study:** \$1 - \$2.50

**Chicago PC:** \$1 - \$10

*- all targeted*

### Canada

Attributed by Cleveland &  
Krashinsky: \$1- \$2

*- universal program, all children*

## Input-output

- Shorter-term
- Regional effects as dollars 'ripple' through economy
- **Quebec:** 40% of system cost returned through increased taxes;
- **Manitoba ... *new evidence!***

# Childcare Multipliers

## Input-output analysis

- Every **\$1** spent on childcare generates **\$1.58** of economic activity
  - *Analysis by Statistics Canada*

## Employment multiplier

- Every **1** childcare job creates or sustains **.49** other jobs
  - *In addition to supporting the labour force participation of 4 - 30 parents*



LINKING ECONOMIC DEVELOPMENT AND CHILD CARE RESEARCH PROJECT  
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 WEBSITE: <http://economicdevelopment.cce.cornell.edu>

## Child Care Multipliers: Analysis from Fifty States

By Zhilin Liu, Rosaria Ribeiro and Mildred Warner, 2004

### ECONOMIC IMPORTANCE OF CHILD CARE IN THE REGIONAL ECONOMY

Economists and planners are recognizing the important contributions the early care and education sector makes to the economy in both the short and long terms. Across the country, states and localities are using regional economic analysis to estimate the size of the early care and education sector and the extent of its linkages in the broader regional economy. A complete data base of these studies is found on the Cornell Linking Economic Development and Child Care project website. This research brief presents a summary of the regional linkages of child care in all 50 states and the District of Columbia.\*

Calculating the extent of linkage of the child care sector in the regional economy, as captured in the sector's multipliers, is the primary focus of this report. However, the economic importance of early care and education is not limited to this effect. The economic importance of child care has three components as illustrated in the trillium flower above: its effect on places (the regional economy), its effect on parents (social infrastructure supporting workers and their employers), and its effect on children (investing in human development and education for a productive future workforce).

Economic development policy often is influenced by estimates of multiplier effects in the broader regional economy. Such estimates are derived from input-output models which develop a matrix of all sectors in the economy and the inter-industry linkages between them. In this brief we map how these multiplier effects differ across states and across sectors in state economies. The full report, on which this research brief is based, also explains how the IMPLAN input-output model is structured and what impact this has

on the child care results. It includes detailed tables of multiplier comparisons for every state. Only averages are reported here.

One reason policy makers are interested in short-term regional economic effects is because traditional economic development policy is based largely on short-term goals. Linkage or multiplier effects help economic developers determine which economic sectors will have the greatest total impact on the regional economy given an increase in final demand for a given sector's output.

We find the child care sector has linkages to the rest of the economy that are equally strong or greater than retail and tourism and other social infra-structure sectors such as hospitals, job training, elementary and secondary schools and colleges and universities. This comparability reflects the labor intensive nature of all of these sectors and similar production relationships in the regional economy. While some of these sectors are targets for economic development policy, child care typically is not. Cornell's Economic Development Strategy Guide gives examples of how child care could be a part of economic development policy.

*The child care sector's relatively high economic linkage suggests the sector could be a competitive target for economic development attention.*

### INPUT-OUTPUT ANALYSIS

Similar to other economic sectors, child care contributes to the regional economy not only through its direct employment and output, but also through its purchases of goods and services that stimulate economic activity in other industries. Multipliers generated from input-output models measure the relative strength of these purchases, or backward

\*Based on Liu, Z., R. Ribeiro, and M. Warner, 2004. *Comparing Child Care Multipliers in the Regional Economy: Analysis from 50 States*. Ithaca NY: Cornell University Department of City and Regional Planning. Full copies of the report complete with detailed tables showing modeling results for each of the 50 states are available at <http://economicdevelopment.cce.cornell.edu>.

Sectors	Output Multipliers		Employment Multipliers	
	Type I	Type II	Type I	Type II
<b>Child Care</b>	<b>1.49</b>	<b>1.91</b>	<b>1.27</b>	<b>1.50</b>
Private Elem. & Secondary Schools	1.30	1.91	1.10	1.31
Job Training	1.32	1.84	1.23	1.50
Colleges and Universities	1.22	1.84	1.09	1.37
Hospitals	1.25	1.79	1.19	1.67
Local Interurban Passenger Transit	1.26	1.72	1.10	1.35
Wholesale	1.22	1.62	1.28	1.86
Retail: Apparel & Accessory Stores	1.22	1.60	1.10	1.30
Business Services: Mgmt. Consulting	1.34	1.81	1.38	1.91
Tourism: Hotels and Lodging	1.31	1.71	1.21	1.50
Manufacturing: Tool and Die	1.19	1.63	1.17	1.71
Averages from models of 50 states and the District of Columbia (N=51), based on IMPLAN 2000 data.				

*Acknowledgements: This report is part of the larger Cornell University...*

# Childcare As Valuable Sector

## Parkland

- \$1.73 million of direct revenue
- Generates economic activity worth \$2.74 million

## Thompson

- \$2.1 million of direct revenue
- Generates value economic activity worth \$3.4 million

## St-Pierre-Jolys

- \$455,000 of direct revenue
- Generates value economic activity worth \$719,000

– *Every **\$1** spent on childcare generates **\$1.58** worth of economic activity*

# Manitoba Employment

## Parkland

- 53 - 83% of mothers in RHA labour force
- Childcare users (f/t): est. \$12.4 million wages (2006)

## Thompson

- 47 - 70% of mothers in RHA labour force
- Childcare users (f/t): est. \$18.8 million (2006)

## St-Pierre-Jolys

- 62 - 85% of mothers in RHA labour force
- Childcare users (f/t): est. \$3.6 million (2006)

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# Effects: Employment Multipliers

## Parkland

- 76 full and part-time staff
- Creating/supporting a further 28 FTE

## Thompson

- 69 full and part-time staff
- Creating/supporting a further 34 FTE

## St-Pierre-Jolys

- 16 full and part-time staff
- Creating/supporting a further 6 FTE

*.... In addition to parental employment*



## Child Care Coalition of Manitoba

<http://www.childcaremanitoba.ca>

## Cornell University

“Linking Economic Development and Child Care”

<http://economicdevelopment.cce.cornell.edu>

**Special issue on childcare & economic development**

*Community Development: Journal of the Community Development Society, Vol. 37, no. 2*



# Betty Kelly

- Long-time childcare professional
- Member Rural Team, Women's Working Group



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# Child Care in the Community

## Setting the stage: The Manitoba perspective

- Child Care has been part of the provincial scene for over 30 years.
- Manitoba is looked to by other provinces as a leader in terms of both legislated standards and funding support.
- A key aspect of Manitoba's Child Care program is a commitment to funding only *community based **not-for-profit** or **cooperative** programs.*



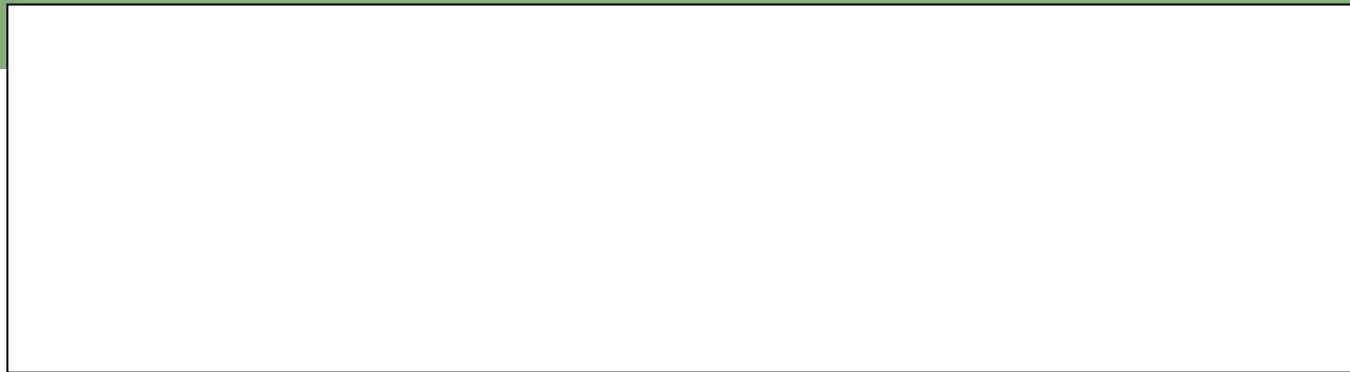
# Why do we need Child Care?

- “More than babysitting”
- Support for working parents
- Increases the work force
- Provides employment
- Increase to the local economy

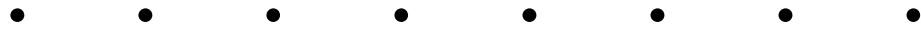


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# What's out there?



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# What We Hear

- Child Care is top need identified by Rural and Northern women
- Many communities do not have child care
- Waiting lists are long





# What We Hear

- People relocate to where there is Child Care
- In rural areas, the community with child care has a significant advantage - Inquiries from:
  - Nfld., Alberta, Germany, South Africa, Dauphin, Winnipeg, Nova Scotia, Quebec, Ontario
- New doctors choose the community with child care.

**“Is there Child Care available?”**



## How do you get Child Care in your community?

- Community based group & local support
- Licensing requirements
  - A need
  - A suitable physical space / building/
    - Health & fire
    - Occupancy permits
  - Qualified staff
- Child Care co-ordinator offers support & issues the license
- Grant funding is possible, but not guaranteed
- Can be approx. a 6 – 24 month process.

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# Is there a role for CED?

**YES! You have the expertise in business development**

- Market research / confirming need
- Public Relations
- Working with partners / networking
  - Municipality / city
  - Other child care programs
  - Potential landlords
  - Employers
- Grant Proposals
- Budgets / long term financial projections
- Advertising

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## Useful Resource!

- Kelly, B., & Idehen, O. (2005). *Changing Needs of Rural and Northern Women in Manitoba: A Research Report*. Brandon: Rural Development Institute, Brandon University, RDI Working Paper #2005-10

[www.brandonu.ca/rdi/publications.asp](http://www.brandonu.ca/rdi/publications.asp), See: 'rural and northern'



# Bryan Spencer

Former councillor

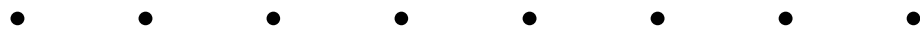
- Founding member of the St Claude Community Development Corporation





**Great Resource!**

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# Susanne Williams

- Executive Director
  - Eagle Wing Early Childhood Education Centre, Point Douglas
- SISTARS





**Great Resource!**

**Eaglewinged@mts.net**





# **Discussion Questions Comments**

