

# Early Childhood Development: Living in Poverty and Availability of Childcare

## Objective

To determine distribution of children aged 0–9 years in NL, the number of children living in poverty, and the characteristics of childcare businesses in the province.

## Practice Points

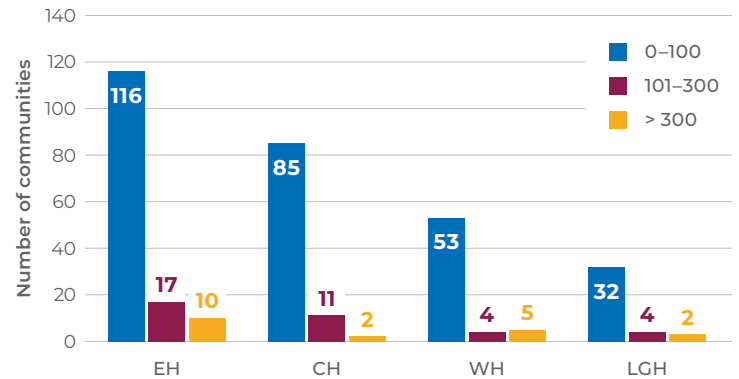
1. Childhood poverty is unjust. There is overwhelming evidence to support the subsequent economic benefit of interventions to alleviate childhood poverty. It is estimated that investment of \$1 in the early years of individuals living in low income results in savings of \$9 in future health and criminal justice system costs.
2. In 2020, there were 45,060 children in NL aged 0–9 years, 8.8% of the population. In Canada, there were nearly 4 million children in the same age group comprising 10.4% of the population.
3. Market Basket Measure (MBM) defines households in low income if disposable income falls below the estimated cost of purchasing a specific basket of goods and services. In Canada 10.1% of the population were low income defined by MBM, and in NL the rate was 10.7%.
4. According to the Canadian Centre for Policy Alternatives 2021, the total cost of poverty in NL is close to \$1 billion (\$959 million) and loss of economic growth amounts to 2.9% of GDP.

## Data

Population estimates and information on childcare businesses provided by the Department of Finance.

## Results

### A. Children in Communities



**Figure 1. Number of Communities by Number of Children <10 years of Age in the Community Analysed by Region, 2020**

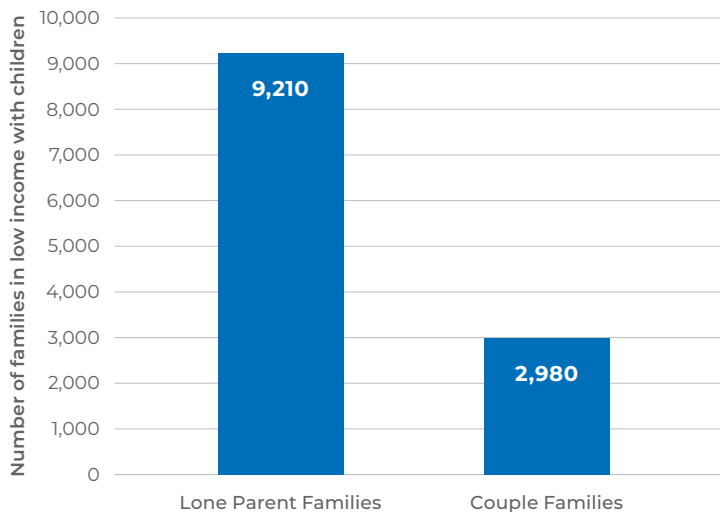
- The vast majority of communities in NL had ≤100 children aged <10 years.

### B. Children Living in Poverty

**Table 1. Number of Families and Non-Family Persons in Low Income by Family Type, 2018**

Categories:	Number in Low Income
All Families and Non-Family Persons	41,770
Total Couple Families	7,340
Couple Families with No Children	4,360
Couple Families with Children	2,980
Lone Parent Families	9,210
Non-Family Persons	25,220
Total Families with Children	12,190

- In 2018, there were 12,190 families with children with low income; of these, there were 2,980 couple families with children and 9,210 lone parent families with children.



**Figure 2. Number of Families in Low Income (Defined by MBM) with Children in NL, 2018**

- There were 9,210 lone parent families and 2,980 couple families living in poverty.

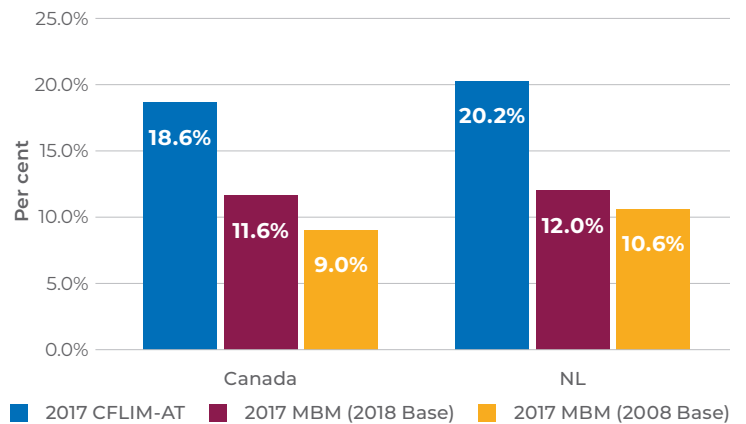
**Table 2. Families with Children and Youth Receiving Income Support Benefits, May 2021**

Categories	Number of Children	Number of Families	% of Children
Number of Children <10 (0–9) Years	3,485	2,363	7.7
Number of Children and Youth <20 (0–19)	7,036	4,158	7.2
Number of Children and Youth <25 (0–24)	8,623	5,371	7.0

- In May 2021, there were 2,363 families in NL with children <10 years of age receiving income support benefits, comprising 3,485 children. This comprised 7.7% of children <10 years.

There were 4,158 families with 7,036 children and youth <20 years of age. This comprised 7.2% of children <20 years in the province.

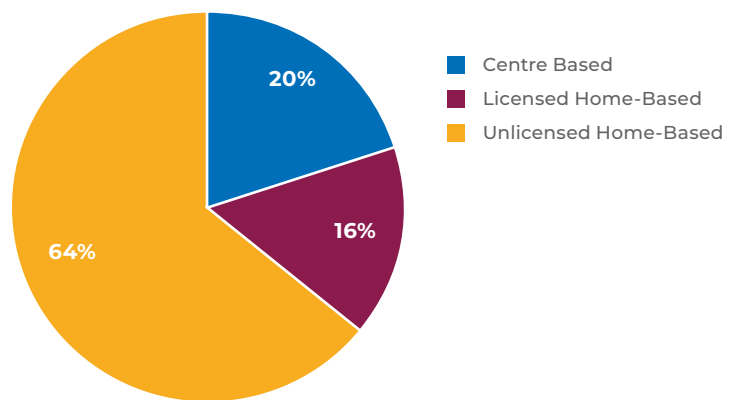
- The highest rates of poverty are for single parent households, households with  $\geq 3$  children, racialized or Indigenous children, new immigrants, children aged 0–2 years



**Figure 3. Child Poverty Rates, Market Basket Measure (2018 Base and 2008 Base), and Census Family Low Income Measure (CFLIM), After-tax, in Canada and NL, 2017**

- Child poverty rates in NL ranged from 9.0% to 10.6% depending on the measure.

### C. Childcare Businesses



**Figure 4. Percentage of Childcare Businesses by Business Type**

- In NL, the number of childcare businesses in 2021 was 584, a rate of 13/1,000 children <10 years of age. The comparable rate in Canada was 13.2/1,000.
- The distribution of childcare businesses by business type in NL was different from that in Canada. In Canada, 18% were centre based, 28% licensed home-based, and 54% unlicensed home-based childcare businesses compared to 20%, 16%, and 64% in NL.

**Table 3. Program Options Offered by Childcare Business Type in NL and Canada, 2021**

Program Offered	Centre %		Licensed Home-Based %		Unlicensed Home-Based %	
	NL	CA	NL	CA	NL	CA
Full-Time	96	91	100	99	91	86
Part-Time	50	3	25	19	33	30
Before School	32	23	18	10	13	14
After School	0	25	24	11	23	18
Evening	0	1	8	0 (0.6)	2	4
Weekends	0	0 (0.4)	8	2	3	3
Overnight	0	0 (0.2)	0	0	2	2
Drop-In	0	7	8	6	5	8
Flexible	9	11	8	8	11	15

- Programming compared favourably to Canada, whether it be centre-based, licensed home-based or unlicensed home-based childcare business.

**Table 4. Average Daily Fee per Child Analysed by Childcare Business Type and Age Group of Children Enrolled**

Program Offered	Centre		Licensed Home-Based		Unlicensed Home-Based	
	Cost in Dollars					
	NL	CA	NL	CA	NL	CA
<18 months	47	46	38	37	40	37
18–36 months	32	41	34	34	38	38
3, 4 Years	32	37	32	33	34	36
≥ 5 Years	24	29	27	28	25	30

- The planned federal government investment in childcare aims to reduce childcare costs to \$10/day, but only for regulated businesses.
- Centre-based childcare is less expensive in NL compared to Canada, whereas licensed home-based childcare is similar.

## Conclusions

1. The majority (84%) of communities in NL have 100 or less children under the age of 10, a difficulty for the provision of efficient childcare.
2. 7.7% of all children <10 years in NL are in families who receive income support. This is a barrier for 3,485 children who need childcare, but cannot afford it.
3. The rate of childcare businesses in NL is 13/1,000 children <10 years of age. 64% of these businesses are unlicensed home-based, higher than in Canada (54%). As the federal investment in childcare is focused on licensed businesses the unintended consequence is that unlicensed businesses fail, thus increasing the burden of childcare on working mothers.
4. The type of programming provided compared favorably to Canada, and costs/day for children <5 years ranged from \$32 to \$47 depending on the age of the child and type of childcare business.
5. In many rural communities, pre-kindergarten classes should be considered.