

Department of Finance Canada

Supporting Early Learning and Child Care

Backgrounder

April 7, 2022

Child care is not just a social policy—it is an economic policy, too. Affordable, high-quality child care will grow our economy, allow more women to enter the workforce, and help give every Canadian child the best start in life.

In Budget 2021, the federal government made an historic investment of \$30 billion over five years to build a Canada-wide early learning and child care system. In less than a year, it reached agreements with all 13 provinces and territories. By the end of 2022, child care fees will be reduced by an average of 50 per cent, and by 2025-26, child care fees will average \$10-a-day for all regulated child care spaces, from coast-to-coast-to-coast.

Early Learning and Child Care Infrastructure Fund

As the federal government worked with provinces and territories on the completion and implementation of agreements, many raised that infrastructure funding was a challenge for non-profit and public providers where real estate costs were too high, or where building materials were too expensive.

- In response to requests from provinces and territories, and to support the implementation of the Canada-wide early learning and child care system, Budget 2022 proposes to provide \$625 million over four years, beginning in 2023-24, to Employment and Social Development Canada for an Early Learning and Child Care Infrastructure Fund.

This funding will enable provinces and territories to make additional child care investments, including the building of new facilities. As noted in Budget 2021, Quebec has been a pioneer in early learning and child care in Canada, and this new funding will be part of an asymmetrical agreement with the province of Quebec that will allow for Quebec to further enhance its child care system.

Canada-Wide Early Learning and Child Care Agreements

Province/Territory and Date Agreement Announced	Amount of Federal Investment (5 Year Allocation, \$ millions) ¹	Estimated Average Savings per Child with 50% Average Fee Reduction (gross, annual) ²	Estimated Average Savings per Child at \$10/day (gross, annual) ²	Child Care Spaces to be Created	Estimated Early Childhood Educator Jobs to be Created ³
BC July 8, 2021	\$3,212	\$6,000 (by end of 2022)	\$9,390 (by end of FY 2025-26)	40,000 ⁴	8,000 to 10,000
NS July 13, 2021	\$605	\$4,690 (by end of 2022)	\$6,780 (by end of FY 2025-26)	9,500	1,900 to 2,375
YK July 23, 2021	\$42	Yukon committed to a \$10/day	\$7,300 (achieved)	110	22 to 28

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Province/Territory and Date Agreement Announced	Amount of Federal Investment (5 Year Allocation, \$ millions) ¹	Estimated Average Savings per Child with 50% Average Fee Reduction (gross, annual) ² average fee prior to Budget 2021	Estimated Average Savings per Child at \$10/day (gross, annual) ²	Child Care Spaces to be Created	Estimated Early Childhood Educator Jobs to be Created ³
PEI July 27, 2021	\$118	\$3,390 (by end of 2022)	\$4,170 (by end of 2024)	452	90 to 113
NL July 28, 2021	\$306	\$5,090 (by end of 2022)	\$7,560 (as early as January 2023)	5,895	1,179 to 1,474
QC⁵ August 5, 2021	\$5,964	Not applicable	Not applicable	37,000	7,400 to 9,250
MB August 9, 2021	\$1,201	\$2,610 (by end of 2022)	\$2,610 (by end of FY 2022-23)	23,000	4,600 to 5,750
SK August 13, 2021	\$1,099	\$3,910 (retroactive to July 2021)	\$5,220 (by end of FY 2025-26)	28,000	5,600 to 7,000
AB November 15, 2021	\$3,797	\$5,610 (January 2022)	\$8,610 (by end of FY 2025-26)	42,500	8,500 to 10,625
NB December 13, 2021	\$492	\$3,910 (by end of 2022)	\$5,220 (by end of FY 2025-26)	3,400	680 to 850
NWT December 15, 2021	\$51	\$4,950 (by end of 2022)	\$7,300 (by end of FY 2025-26)	300	60 to 75
NU January 24, 2022	\$66	\$4,950 (by end of 2022)	\$7,300 (by end of March 2024)	238	48 to 60
ON March 28, 2022	\$10,235	\$6,000 (by end of 2022)	over \$9,000 ⁶ (by end of FY 2025-26)	86,000 ⁷	14,000 to 15,000 ⁶

¹ National Canada-wide early learning and childhood allocations are calculated based on projected 0-12 child population and include base funding of \$2 million per province/territory per year.

² Employment and Social Development Canada estimates and are illustrative only. Savings estimates are relative to 2019 levels unless updated data is provided by provinces and territories. Estimates are based on out-of-pocket parent fees and do not include amounts that would be recovered through provincial/territorial tax credits or the federal child care expense deduction at tax time, or changes to provincial/territorial or federal benefits as a result of lower child care expenses. Actual savings for families will vary based on factors such as actual fees paid prior to reductions.

³ Employment and Social Development Canada estimates. Range of estimated early childhood educator jobs created is based on the national average range of early childhood educators expected to be required

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per new child care space. Provincial and territorial estimates may differ due to regulatory variation.

⁴ B.C. committed to creating 30,000 new spaces within five years, and 40,000 new spaces within seven years.

⁵ The Government of Canada has entered into an asymmetrical agreement with the province of Quebec that will allow for further improvements to its early learning and child care system, where parents with a subsidized, reduced contribution space already pay a single fee of less than \$10/day.

⁶ Based on the province of Ontario's current modelling for an average \$10/day out-of-pocket parent fee.

⁷ Ontario committed to create 86,000 spaces from 2019 levels by end of 2026, which is approximately 71,000 new spaces from current levels.

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