

Fall economic statement 2020 ^[1]

Supporting Canadians and fighting COVID-19

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Excerpted from "Towards a Canada-wide Early Learning and Child Care System"

Investing in accessible, high-quality, affordable and inclusive child care is not only good for families, it makes good economic sense. It gives children a good start in life and gives parents, especially mothers, the support they need to maintain good jobs and provide for their families. In Quebec, where the provincial government has been investing in high-quality accessible child care for over two decades, maternal labour force participation rates were 5 to 9 percentage points higher than in the rest of Canada in 2019. In particular, Quebec women with children under 3 have some of the highest employment rates in the world. Not only do good jobs help families individually, but increased maternal labour force participation is good for economic growth and increases GDP per capita. Just as Saskatchewan once showed Canada the way on health care and British Columbia showed Canada the way on pricing pollution, Quebec can show us the way on child care.

Across the country, child care providers have been particularly hard-hit by the COVID-19 pandemic. The initial lockdown meant the closure of most child care operations across the country. Even as the economy reopened, the implementation of new public health practices and the uneven return of children in care have resulted in financial challenges for many providers, and made more precarious the work of over 200,000 early childhood educators and child care workers across the country.

This is happening against the backdrop of what many experts like Armine Yalnizyan are calling a "She-cession." In September, the number of mothers who worked less than half of their usual hours for reasons most likely related to COVID-19 was 70 per cent higher than in February, compared with 24 per cent among fathers.

Private sector, social sector and labour leaders agree that child care is a vital part of our social infrastructure that has been weakened by COVID-19. Pre-pandemic, most provinces and territories in Canada had only enough licensed child care spaces to accommodate 40 per cent or fewer children younger than six years of age. The sector was hit hard by the spring lockdown and is facing new financial challenges as new public health practices and physical distancing are implemented.

Fees have always varied widely from region to region, with some families seeing prices as high as \$2,000 a month per child in some cities. Lower-income families who need a subsidized space often face long waiting lists. According to a recent study, many families find child care to be even less affordable than housing, seen by many to be "an unattainable luxury".

Accessible and affordable child care helps create jobs and spurs economic growth. Investments in child care create more jobs compared to similar levels of investment in other industries, by not only creating direct employment for child care workers, but also enabling growth in women's labour force participation.

Now is the time to make long-term, sustained investments so that every Canadian family has access to affordable and high-quality child care. As a first step, this Fall Economic Statement is announcing key early investments to lay the groundwork for a Canada-wide child care system, in partnership with provinces, territories and Indigenous peoples.

December 7, 2020, will mark the 50th anniversary of the Report of the Royal Commission on the Status of Women in Canada, a landmark report that called for the federal government to immediately work with the provinces and territories to establish a national day care system. Those who were children when the report came out are now parents and grandparents. Canadians have waited, for generations, for their government to answer the call. On the eve of this anniversary, the government is committed to making historic investments to make this happen. Budget 2021 will lay out the plan to provide affordable, accessible, inclusive and high-quality child care from coast to coast to coast. This will also include enhanced support for before- and after-school care for older children – in order to provide all parents with the flexibility needed to balance work and family.

Bringing Partners Together Towards a Common Vision

- To help bring governments, experts and stakeholders together to collaborate in designing and implementing this new child care vision for Canada, the government is proposing to provide \$20 million over 5 years, starting in 2021-22, with \$4.3 million per year ongoing for a Federal Secretariat on Early Learning and Child Care. The Secretariat will build capacity within the government and engage stakeholders to provide child care policy analysis in support of a Canada wide-system.
- The government is also proposing to invest \$70 million over 5 years, starting in 2021-22, and \$15 million ongoing to sustain the existing federal Indigenous Early Learning and Child Care Secretariat, and to help build Indigenous governance capacity and support Indigenous participation in the development of a Canada-wide system.

Sustaining Previous Investments in Early Learning and Child Care

In Budgets 2016 and 2017, the federal government invested \$7.5 billion over 11 years in early learning and child care. These investments have enhanced fee subsidies for families across the country, and created new quality, affordable spaces, including for parents that work non-traditional hours as well as for children from diverse populations.

- In order to sustain the progress made in collaboration with provinces, territories and Indigenous partners to date, the government is proposing to make this funding permanent at 2027-28 levels by providing \$870 million per year and ongoing, starting in 2028-29. Of this amount, \$210 million would support Indigenous early learning and child care programming.

Results to Date of Federal Investment in Early Learning and Child Care

Federal funding for early learning and child care since 2017 has supported the creation of almost 40,000 more affordable child care spaces, as well as training and professional development for 1,780 early childhood educators and staff across Canada, including:

- In New Brunswick, where almost 80 per cent of early learning and child care centres received funding to implement a low-fee policy, and to improve their capacity to serve children with disabilities and diverse learning needs;
- In Ontario, where federal and provincial funding supported grants for 1,570 child care workers to upgrade their skills and receive Early Childhood Educator Diplomas; and,
- In Saskatchewan, where new federal funding has supported the creation of 768 additional regulated child care spaces, including in the Fransaskois communities of Regina, Prince Albert and Vonda.

Supporting the Early Childhood Educator Workforce

The recruitment and retention of early childhood educators is a challenge across Canada. These workers often earn low wages, have minimal job protections and lack career development opportunities. Supporting the valuable work of early childhood educators is key to the success of a high-quality child care system, especially one which will expand the number of spaces across the country.

- To this end, the government is proposing to provide \$420 million in 2021-22 for provinces and territories to support attraction and retention of these workers, such as through grants and bursaries for students studying early childhood education.

The government will also engage provinces and territories on future sustained investments in support of an Early Childhood Educator Workforce Strategy – as a key enabling feature of a Canada-wide child care system.

- Early childhood educators also play an important role in delivering quality, culturally-relevant care that meets the unique needs of Indigenous families. That's why the government is proposing to invest an additional \$75 million in 2021-22 to improve the quality and accessibility of Indigenous child care programs. This would enable providers to take steps to improve the retention of Indigenous early childhood educators and to offer more flexible and extended hours of care.

Related link: Power & Politics interview with Min. Chrystia Freeland ^[6]

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