

Can the Liberals really make \$10-a-day child care happen? ^[1]

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EXCERPTS

On Monday, the federal government released its 2021 budget, and it was seemingly a big win for child care in Canada. Alongside extending emergency pandemic benefits and promising \$600 million towards a new (and very necessary) national action plan to end gender-based violence, the government announced it is allocating a record \$30 billion over five years, and another \$8.3 billion annually, towards a Canada-wide early learning and child care system — something advocates have been calling for for years.

The goal is to get the cost of child care down 50% by 2022 and down to \$10 a day per child by 2025. It's an ambitious plan and a lot of cash. In fact, "there's never been this much money offered for child care by the federal government in Canada, by far," Martha Friendly, a Toronto-based child care policy researcher, tells Refinery29.

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ICYMI, the country needs a long-term affordable child-care strategy, ASAP. It's long been a topic of national discussion, but the past year has highlighted just how essential effective and affordable daycare is to the economy. (Daycare costs vary across the country, but can be up to \$1,758 a month per child in cities like Toronto.) Affordable child care has a direct impact on women's ability to work and stay in the workforce. Especially since the pandemic: With the move to WFH as well as the on-and-off shuttering of schools and daycare centres, Canadian women — who primarily account for caregivers and stay-at-home parents — have left the workforce in unprecedented numbers, with studies finding that 1.5 million Canadian women lost their jobs or had to quit in the first two months of COVID-19. This has set women even further back economically. As Fay Faraday, co-chair for the Ontario Equal Pay Coalition, told Refinery29 Canada earlier this month. "We've lost two full generations of economic gain in the workplace in the space of a year."

In Canada, Quebec is the only outlier when it comes to child care. The province covers a majority of child care via subsidized spots, which means most people pay around \$8.35 a day. (The daily cost of non-subsidized daycares can be between \$35 and \$60 a day.) In the province, women's participation in the workforce during the pandemic only fell by 0.5%, as opposed to 1.3 % in the rest of Canada, something Dawn Desjardins, vice-president and deputy chief economist at RBC and economist Carrie Freestone, correlates to affordable child care. "More affordable spaces meant women in Quebec were able to stay engaged," says Desjardins, the co-author of a March study by RBC on women in work. In the same year, 75% of children between the ages of zero and five in Quebec were in early learning or child-care arrangements compared to 44% in Ontario. "We have seen evidence from the Quebec model that an affordable child-care model can be successful at boosting women's participation [in the workforce]," she adds.

Just how this federal funding will be implemented remains to be seen, and will depend on discussions with individual provinces (child-care funding falls within provincial jurisdiction), factoring in staff wages and demand. "Going forward, it will be important to see how negotiations surrounding the cost-sharing arrangement between the federal government and the provinces will pan out," Desjardins says. "Many Canadian provinces are already in a very tight fiscal position following the pandemic and may not have the fiscal capacity to squeeze additional funding out of balance sheets that are already constrained."

Whether or not this amount of money is enough to help fund this system is another question Friendly says she's TBD on for now. "It's very high level at the moment," she says of the 739-page budget, which also sees Canada's national debt climbing as high as \$1 trillion. "When you get down to the level of 'what is this going to mean for parents six months down from now?' That I can't answer, but it'll become clearer in the next few weeks and months."

Adds Desjardins: "Policies targeted at upskilling will help those in the hardest-hit sectors get back to work in the interim, but women will likely have to wait quite a few years to see a meaningful decline in child-care costs."

Region: Canada ^[3]

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