

Here's how much you could save with the new child care plan^[1]

New data from the Canadian Centre for Policy Alternatives shows just how much money Canadian parents could save on daycare in major cities across the country.

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EXCERPTS

Earlier this year, the federal government released the 2021 budget—including a promising new plan to cut child care costs in most provinces by 50% by the end of 2022. By 2026, the goal for provinces that embrace the new plan is to reduce the daily cost to just \$10. This was no doubt a welcomed motion for parents nation-wide, especially those in the Toronto area who are spending upwards of \$20,000 per year for each kid in child care.

But just how much can parents actually look forward to saving if the plan becomes a reality? New data from the Canadian Centre for Policy Alternatives (CCPA) suggests families in some cities could hold onto more than \$10,000 per year for each child by 2022 and almost double that by 2026.

The exact amount of savings depends on where families live and the age of each kid requiring child care, which is generally more expensive for younger children. Parents of babies and toddlers are likely to see the greatest savings.

The interactive map below allows parents to choose their city and province as well as their child's age group (infant, toddler or preschooler) to calculate an accurate projected savings amount according to their specific scenario. The tool also tells parents the cost per year for child care in the selected area in relation to the chosen age group. In total, the map features data on 37 cities across provinces like Ontario, British Columbia, Alberta, Saskatchewan, Newfoundland, Yukon and Nunavut.

According to the CCPA, parents in the Greater Toronto Area (GTA) and, more specifically, the City of Toronto would benefit the most. Torontonians with infants would save \$11,200 per year in 2022, and those in surrounding areas like Brampton and Mississauga would pocket around \$9,100 per year or more. Fast forward to 2026, and parents of infants in Toronto are looking at almost \$20,000 a year in savings, with those in the GTA saving \$15,600. And that's with only one child; those paying exorbitant costs to keep multiple children in child care would save double or triple.

There are significant savings to be had for parents of preschoolers, too. Using the Toronto/GTA example, those with a preschooler living in Toronto would save \$7,500 per year in 2022 and \$12,400 in 2026. Surrounding suburbs would see similar savings at around \$7,000 per year in 2022 and \$11,500 in 2026.

There are still many things that need to fall into place before the child care plan (and the savings that come with it) can come to fruition, like the federal government securing agreements with each province. They've already gotten the green light from B.C. and Nova Scotia, but other provinces like Alberta and Ontario are more hesitant, voicing concerns about the flexibility of the plan and its focus on licensed child care centres—which will impact the amount of choice residents have in areas where privately owned daycares are more popular.

The plan also hasn't made it through an election yet, and with one potentially on the horizon this summer, it will likely become an important point of consideration for parents when exercising their right to vote.

Regardless, the potential savings for parents is promising, we just wish it could have come sooner!

Region: Canada^[3]

Tags: federal budget^[4]

affordability^[5]

child care fees^[6]

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