

What \$10 a day in child-care costs could mean for parents if N.B. signs up for federal plan^[1]

Parents of pre-schoolers would see substantial savings under federal daycare plan

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EXCERPTS

An independent research institute is analyzing the federal government's plan to significantly reduce child-care costs, and what that would mean for parents in New Brunswick and the rest of the country, if provincial governments sign up on to it.

In April, Finance Minister Chrystia Freeland announced that the federal government will spent about \$30 billion over five years to help offset the costs of child care.

The first goal, set for 2022, is to drive down costs by 50 per cent. By 2026, the nationwide child-care cost should have lowered to \$10 a day per child.

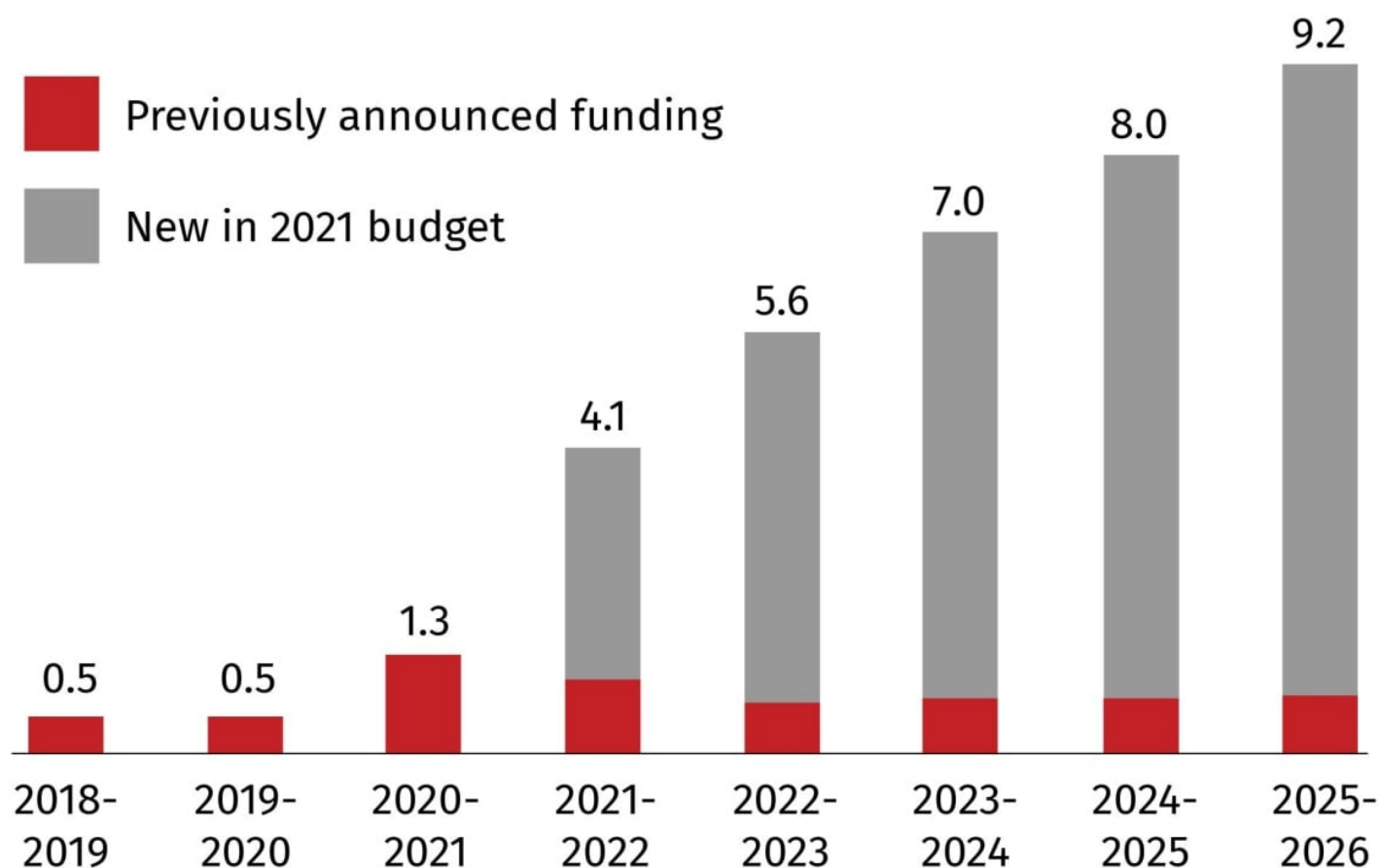
Most ambitious child-care plan since 1980s

According to David Macdonald, senior economist for the Ottawa-based Centre for Policy Alternatives, this is the most ambitious child-care package that Canada has seen since the 1980s.

"For any parent, it will mean huge savings. Particularly for parents with young children or infants if we take a look at the big cities in New Brunswick like Saint John, Moncton."

The 50 per cent reduction in fees by 2022 would save New Brunswick parents with an infant about \$5,000 a year and those with preschoolers about \$4,000 a year per child, according to Macdonald.

Investments in child care and early childhood learning \$Billions



CBC NEWS

Source: 2021 federal budget

If fees dropped to \$10 a day, it would save parents in New Brunswick about \$7,500 a year per infant.

Parents of pre-schoolers, who now pay an average of \$8,300 per child, would save about \$5,700 per child by 2026 under the federal plan.

For the past seven years, the Centre for Policy Alternatives has conducted annual surveys that look into child-care fees in every province.

The latest one took place during the fall of 2020, prior to the 2021 budget announcement.

"I realized we could use the data that we had from 2020 to calculate what a reduction in fees would mean for parents," said Macdonald.

Only 2 provinces have signed up

New Brunswick has not reached a deal with the federal government yet. In fact, Premier Blaine Higgs said any decision will be put off until the fall.

As of now, only two provinces have signed up: British Columbia and Nova Scotia.

The New Brunswick government would not provide anyone to be interviewed about whether it wants to follow in Nova Scotia's steps.

Instead, it issued a statement saying the Department of Education and Early Childhood Development is having ongoing discussions with the federal government, and summing up things it's already announced or done for child-care interests in the province.

Macdonald said federal-provincial relationships aren't known for their speed, and that it shouldn't yet be a cause for concern.

"This program was only announced in the spring. It's impressive that they have managed to find two deals at all."

'Dangerous times' for child-care plans

With a fall election looming, there is a possibility that this ambitious plan will die, just like others proposed close to elections have as well.

"Most of the previous child-care plans have died because of elections," Macdonald said.

But he said it might help that this plan already has deals being signed with provinces.

"Although, I suspect that if another party came into power, since none of the money has flowed yet, it wouldn't be that problematic to cancel agreements with the provinces."

Current government help

In New Brunswick and every other province except for Quebec, which already has an \$8 daily cost for child care per child, subsidies are available for families on low-incomes who need help covering child-care fees.

How these provincial subsidy systems will be integrated into a \$10-a-day program isn't clear yet, not even in provinces already signed up, such as Nova Scotia.

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