

Which childcare plan is best for children and families? ^[1]

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Ottawa (30 Aug. 2021) — This election there are 2 very different proposals for how to make child care affordable for families. One proposal is for a national child care program where parents would pay \$10/day. Another is a tax credit that would refund part of the cost of child care to families.

To help people figure out which plan will do the most to help children and families, the Canadian Centre for Policy Alternatives has compared the 2 plans. What the comparison found is that the vast majority of families would be better off with \$10/day child care.

Gains from tax credit less than suggested

The Conservative Party describes the tax credit as providing up to \$6,000, but only 6,600 families in Canada would get that amount. Most families would receive far less. Families with incomes below \$22,000 would save an average of \$1,540 a year. For families with incomes above that amount savings would be between \$500 and \$1,000 a year.

Similarly, while the tax credit is advertised as refunding up to 75% of child care costs, that would only happen in very unusual circumstances. For most families, the combination of high fees and the cap on what they receive means that they would be receiving much lower percentages. In Edmonton, for example, a family paying the median fee of \$12,600 a year would only get about \$593 a year or 4.7% back.

Even first phase of national child care program provides families with more support

When fully implemented, a national child care program with parents only paying \$10/day will provide huge savings for families across Canada. However, even the NDP and Liberal proposals to cut child care fees in half by 2022 will leave families outside of Quebec better off than the proposed Conservative tax credit plan.

The only reason Quebec is different is that Quebec already has a child care program that's similar to the national child care program being proposed by the NDP and the Liberals (though the NDP and Liberal proposals are not identical).

In Calgary, a national child care program cutting fees by 50% in 2022 would provide a family paying median fees with \$7,561 a year more than a tax credit. In Vancouver, it would be \$4,250. And in Toronto, the difference would be \$10,113. While savings from a national child care program are higher in big cities, families in Charlottetown and Fredericton would still be saving \$948 and \$1,673 respectively.

Savings increase for families with more than one child on \$10 a day program

The CCPA figures are for a family with one child. For families with 2 or more children needing child care, the advantage of a national child care program is even greater.

The National Union of Public and General Employees (NUPGE) is one of Canada's largest labour organizations with over 390,000 members. Our mission is to improve the lives of working families and to build a stronger Canada by ensuring our common wealth is used for the common good.

— NUPGE

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