

Toronto parents pay the most for child care in the country. What are the federal parties offering? ^[1]

Liberal plan to get to \$10 a day would be scrapped under Conservatives

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EXCERPTS

The future of child care in Ontario is looking murkier than ever as the federal election approaches.

The Conservatives and Liberals are offering two very different solutions to Toronto parents, who currently find themselves shouldering the highest child-care costs in the country.

In 2020, eight out of the 10 priciest locations for child care in Canada were GTA cities, with Toronto in the top spot.

"This is likely a payment that exceeds or matches what parents pay in terms of their mortgage or their rent," said David Macdonald, a senior economist with the Canadian Centre for Policy Alternatives (CCPA).

Through his work with the CCPA, which bills itself as an independent, non-partisan research institute, Macdonald recently crunched the numbers on how much families can expect to save depending on who is elected.

The drive towards \$10 a day

The Liberals made a splash in April's federal budget when they promised a \$30-billion investment to create a national child-care plan.

The government's stated goal is to drive down child-minding costs, first by halving fees in 2022 and then taking them down to \$10 a day per child within five years.

The NDP has said it would also build a \$10-a-day child-care system across Canada, create more child-care spaces and improve the pay of workers in the sector.

"For parents with very young children, infants, it costs \$22,000 a year for one child in care in the City of Toronto," said Macdonald.

"Halving those fees by 2022 would mean those fees would drop by \$11,000."

Beyond cutting fees, the Liberals also say they will hire more early childhood educators and create more child-care spaces – something Carolyn Ferns, policy coordinator at the Ontario Coalition for Better Childcare, says is badly needed.

"A big part of this has to be about addressing the workforce crisis," Ferns said when asked what she'd like more focus on in the Liberal plan.

"It's early childhood educators and child-care workers that create quality programs. If we're not paying them decently, they're not going to stay in the field."

The tax credit alternative

Then there's the Conservative plan, which would convert the existing child-care expense tax deduction into a refundable tax credit that would be paid out during the year. It would cover up to 75 per cent of child-care costs for low-income families.

The party estimates that a family with an income of \$30,000 would get up to \$6,000, a family with an income of \$50,000 would get \$5,200 and a family with \$80,000 in income would get \$4,800.

Boosters of the tax credit proposal point out it's more flexible and can be spent as families see fit on a range of different kinds of care, not just on licensed slots at child-care centres.

So how much money would families save?

Macdonald estimates that in 2022, the Conservative plan would mean savings of \$1,000 for families in the city of Toronto.

The picture changes somewhat depending on income, he added.

"In the GTA, if we look at cities like Vaughan and Oakville, incomes are quite high there, so as a result, there would likely be no savings from the Conservative plan because you gain a new refundable credit but you lose the child-care expense deduction."

Ontario already has a "similarly constructed" refundable tax credit for child care, Macdonald explained.

"So, the actual net amount parents in Ontario gain is very much dependent on how the Ontario provincial government reacts" and whether it decides to scrap its own credit, he said.

Ontario's deal still in limbo

Even if the Liberals are elected, there's room for complication: unlike many other provinces, Ontario has yet to ink a deal with the Liberal government to move forward on the child-care plan.

Education Minister Stephen Lecce has says he's open to making a deal but that Ontario needs funding that is "flexible to respond to the unique needs of every parent."

"That's the great unknown here," said Macdonald. "Several provinces like Ontario and Alberta had not signed up for the plan prior to the election."

But Ferns expects Ontario's government will follow through if the Liberals are ultimately elected.

"The Ford government, a Conservative government, has said they want to sign on to the federal plan after the election," she said, adding that that willingness makes her "hopeful."

"There's a lot on the line," she said of the fast-approaching election.

"That's a \$30-billion plan that could be lost."

Region: Ontario ^[3]

Tags: fees ^[4]

universal child care system ^[5]

federal programs ^[6]

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<https://childcarecanada.org/category/tags/universal-child-care-system> [6] <https://childcarecanada.org/category/tags/federal-programs>