

# A Canada-wide early learning and child care plan <sup>[1]</sup>

**Author:** Department of Finance Canada

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## AVAILABILITY

[Read backgrounder online](#) <sup>[2]</sup>

[View table online](#) <sup>[3]</sup>

## Excerpts from backgrounder

The Government of Canada is focused on making life more affordable for Canadians. Since the spring budget, the federal government has signed Canada-wide early learning and child care agreements with 9 provinces and 1 territory — to help a majority of young Canadian families save thousands of dollars per year, starting next month.

In Budget 2021, the government laid out a plan to provide Canadian parents with, on average, \$10-a-day regulated child care spaces for children under six years old, within the next five years, including a 50 per cent reduction in average fees by the end of 2022.

The government's significant \$30 billion investment, over five years, in early learning and child care will help Canadian families afford the cost of living, and ensure every child has the best start in life. This includes \$2.5 billion for Indigenous early learning and child care.

This is an economic issue as much as it is a social issue. The government's plan to build a Canada-wide, community-based early learning and child care system will create new jobs and growth, and get parents — especially mothers — into the workforce. Affordable child care is estimated to raise real GDP by as much as 1.2 per cent over the next two decades.

As of the *Economic and Fiscal Update 2021*, the government has entered into agreements with 9 provinces and 1 territory.

As part of these agreements, the Canada-wide early learning and child care transfer payments from the federal government to the provinces and territories will increase from \$3.0 billion in 2021-22 to \$7.7 billion in 2025-26.

## Early Learning and Child Care Investments to Make Life More Affordable

## Canada-Wide Early Learning and Child Care Agreements

Province/Territory and Date Agreement Announced	Amount of Federal Investment (5 Year Allocation, \$ millions) <sup>1</sup>	Estimated Average Savings per Child with 50% Average Fee Reduction (gross, annual) <sup>2</sup>	Estimated Average Savings per Child at \$10/day (gross, annual) <sup>2</sup>	Child Care Spaces to be Created	Estimated Early Childhood Educator Jobs to be Created <sup>3</sup>
<b>BC</b> July 8, 2021	\$3,212	\$6,000 (by end of 2022)	\$9,390 (by end of FY 2025-26)	40,000 <sup>4</sup>	8,000 to 10,000
<b>NS</b> July 13, 2021	\$605	\$4,690 (by end of 2022)	\$6,780 (by end of FY 2025-26)	9,500	1,900 to 2,375
<b>YK</b> July 23, 2021	\$42	Yukon committed to a \$10/day average fee prior to Budget 2021	\$7,300 (achieved)	110	22 to 28
<b>PEI</b> July 27, 2021	\$118	\$3,390 (by end of 2022)	\$4,170 (by end of 2024)	452	90 to 113
<b>NL</b> July 28, 2021	\$306	\$5,090 (by end of 2022)	\$7,560 (as early as January 2023)	5,895	1,179 to 1,474
<b>QC</b> <sup>5</sup> August 5, 2021	\$5,964	Not applicable	Not applicable	37,000	7,400 to 9,250
<b>MB</b> August 9, 2021	\$1,201	\$2,610 (by end of 2022)	\$2,610 (by end of FY 2022-23)	23,000	4,600 to 5,750
<b>SK</b> August 13, 2021	\$1,099	\$3,910 (retroactive to July 2021)	\$5,220 (by end of FY 2025-26)	28,000	5,600 to 7,000
<b>AB</b> November 15, 2021	\$3,797	\$5,610 (January 2022)	\$8,610 (by end of FY 2025-26)	42,500	8,500 to 10,625
<b>NB</b> December 13, 2021	\$492	\$3,910 (by end of 2022)	\$5,220 (by end of FY 2025-26)	3,400	680 to 850
<b>Outstanding Agreements as of December 14, 2021<sup>6</sup></b>					
<b>NWT</b>	\$51	\$4,950	\$7,300		
<b>NU</b>	\$66	\$4,950	\$7,300		
<b>ON</b>	\$10,235	\$5,960	\$9,320		

[3]

1 National Canada-wide early learning and childhood allocations are calculated based on projected 0-12 child population and include base funding of \$2 million per province/territory per year.

2 Employment and Social Development Canada estimates. Savings estimates are relative to 2019 levels, are based on out-of-pocket parent fees and do not include amounts that would be recovered through provincial/territorial tax credits or the federal child care expense deduction at tax time, or changes to provincial/territorial or federal benefits as a result of lower child care expenses. Actual savings for families will vary based on factors such as actual fees paid prior to reductions.

3 Employment and Social Development Canada estimates. Range of estimated early childhood educator jobs created is based on the average number of early childhood educators expected to be required per new child care space.

4 B.C. committed to creating 30,000 new spaces within five years, and 40,000 new spaces within seven years.

5 The Government of Canada has entered into an asymmetrical agreement with the province of Quebec that will allow for further improvements to its early learning and child care system, where parents with a subsidized, reduced contribution space already pay a single fee of less than \$10 per day.

6 Employment and Social Development Canada estimates of federal investments and potential savings, should agreements be signed on equivalent terms to agreements signed to date. Child care spaces to be created (and in turn, early childhood educator jobs to be created) are subject to negotiations.

**Related link:** Fall economic and fiscal update 2021 <sup>[4]</sup>

**Region:** Canada <sup>[5]</sup>

**Tags:** economic recovery <sup>[6]</sup>

universal system <sup>[7]</sup>

affordability <sup>[8]</sup>

federal budget 2021 <sup>[9]</sup>

plan

#### Links

[1] <https://childcarecanada.org/documents/research-policy-practice/21/12/canada-wide-early-learning-and-child-care-plan> [2]

<https://www.canada.ca/en/departement-finance/news/2021/12/a-canada-wide-early-learning-and-child-care-plan.html> [3]

<https://www.canada.ca/en/departement-finance/news/2021/12/a-canada-wide-early-learning-and-child-care-plan.html#:~:text=Life%20More%20Affordable-,Canada%2DWide%20Early%20Learning%20and%20Child%20Care%20Agreements,-Province/Territory%20and> [4]

<https://childcarecanada.org/documents/research-policy-practice/21/12/fall-economic-and-fiscal-update-2021> [5]

<https://childcarecanada.org/taxonomy/term/7864> [6] <https://childcarecanada.org/taxonomy/term/9038> [7]

<https://childcarecanada.org/taxonomy/term/9083> [8] <https://childcarecanada.org/category/tags/affordability> [9]

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