

How much parents benefit from the national child-care plans depends on where they live ^[1]

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EXCERPTS:

When Michael McTavish's Calgary daycare signed on to the national child-care plan earlier this year, the realtor and his wife, who works in human resources, saw the monthly bill for their two children drop to \$1,451 from \$2,350.

That is more than families in Prince Edward Island and British Columbia are currently paying, but a much bigger savings than a similar family would be getting in Manitoba. In that province, a family where both parents make more than \$83,000 in combined net earnings won't see any reduction in their child-care bill.

The Canada-wide Early Learning and Child Care agreement, which promises to make more daycare spots available and affordable, has so often been referred to as the \$10-a-day child-care plan that many parents might assume they will all be paying the same set rate, as in the much-heralded Quebec system. But the goal of the national deal is to get to an average 50-per-cent reduction of fees by the end of this year, and then to an average of \$10 a day – not necessarily a flat fee for everyone – by 2026. Provinces and territories, which each signed separate deals with the federal government, have leeway in how they choose reach that average. Most families will see savings, but some will see none at all.

"There is no consistency across the provinces and territories at this moment specific to affordability," says Don Giesbrecht, chief executive officer of the Canadian Child Care Federation.

In Ontario, the savings families enjoy will depend on what region of the province they call home. A mother in York Region paying \$72 a day and a father in Sudbury paying \$31 will both see their fees reduced by 25 per cent by the end of this year if their centres enroll in the program – but that still means one will be paying \$54 a day and the other paying \$23.25.

In Alberta, costs are determined by a family's wages. A family with a combined gross income of up to \$119,999 pays \$10 a day, while those making between \$120,000 and \$179,000 will pay between \$11 and \$17 a day.

In PEI, fees have been reduced to a flat rate of \$25 a day, down from \$27 to \$34 a day, as of January 1. Another reduction is set to come in October, dropping fees to \$20 a day. But the province does not yet know whether it will continue with the set-fee approach beyond that.

"We're still working out all the details for that average of \$10," says Doreen Gillis, director of early childhood development for the province.

In B.C., families pay \$10 a day regardless of household income, although so far there are only 6,500 spaces in the \$10-a-day program.

Still, it is making a massive difference in the lives of some parents.

"It's been huge. If I wasn't getting \$10 a day it wouldn't make sense to work," says Ana Valle Rivera, an entrepreneur with two children in care who lives in the Tri-Cities area. "Everything in the Lower Mainland is so expensive. The point is supporting families regardless of whatever their income is."

That's not so in Manitoba, where an expansion of the province's subsidy system is being used to meet the affordability targets of the national plan.

"No one is going to dispute that affordability is a good thing for families. We want all families to have access to affordable, equitable child care. That's not up for discussion. But what becomes affordable for all families is up for discussion," says Jodie Kehl, executive director of the Manitoba Child Care Association.

In Manitoba, households with average net incomes from \$23,883 to \$37,116 will be eligible for a full subsidy. Households with average net incomes from \$37,542 up to \$82,877 will be eligible for a partial subsidy.

"It's a mess here in Manitoba," says Cathy Gardiner, who runs a child-care centre in Winnipeg. "Basically what they've done is they've indexed the subsidy, so it's really not making child care any more affordable for everyone like the plan is supposed to do."

Ms. Gardiner compares child care with the public education system.

“Rich people don’t pay more to send their kids to school,” she says. “It should be the same system. Everyone has equal, equitable access.”

But while a flat-rate model may seem straightforward, even \$10 a day may be unaffordable for some families, Mr. Giesbrecht says.

“For many, \$10 a day is still out of reach, that’s too much. There should be a scenario in which really low-income families and Canadians get it for free, versus families who are a little more affluent pay more.”

Still, even for those families who pay more, rates still need to be “superaffordable,” he adds.

As for Mr. McTavish, with two children in child care and a third set to enter it in the new year, he and his wife are glad to be able to save any money on their daycare bills, especially at a time when the cost of living is increasing. “We’re fortunate that we could afford the full amount, but regardless it’s still nice to be able to put that money towards other things, whether it’s savings or basic things or activities for the kids,” he says.

Region: Canada ^[3]

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