

# Budget 2024: Fairness for every generation <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## Excerpts

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Affordable child care has helped enable Canada's labour force participation rate for women in their prime working years to reach a record high of 85.7 per cent in September 2023, compared to just 77.4 per cent in the United States.

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To access federal financing, provinces and territories will be expected to meet the benchmarks set by BC Builds and deliver action to unlock even more homes. These actions include: [...]

- Considering access to early learning and child care, and the expansion of non-profit child care, in the development process

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## Supporting the Care Economy

The pandemic shone a light on the importance of paid and unpaid care work in our economy and for the well-being of every generation. The care economy provides crucial care to aging parents and grandparents, children, and many adults who live with disabilities or long-term conditions.

The federal government has made historic investments to strengthen the social infrastructure that is the care economy, including in early learning and child care and long-term care. It also took action to help make sure personal support workers get fair pay for their important work, and improved tax support for caregivers by providing the Canada Caregiver Credit.

Building on these investments, the federal government is announcing new measures to further address the challenges faced by this sector.

- Budget 2024 proposes a Sectoral Table on the Care Economy that will consult and provide recommendations to the federal government on concrete actions to better support the care economy, including with regard to early learning and child care.
- Budget 2024 announces the government's intention to launch consultations on the development of a National Caregiving Strategy.

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Since the Canada Child Benefit was introduced in 2016, child poverty in Canada has dropped from 16.3 per cent in 2015 to 6.4 per cent in 2021. That's 650,000 children lifted out of poverty in just six years (Chart 2.2).

In Budget 2024, the government is advancing this progress through investments to strengthen and grow our Canada-wide early learning and child care system, save for an education later in life, and have good health care, and unlock the promise of Canada for the next generation.

## Key Ongoing Actions

- Providing over \$25 billion in support to about 3.5 million families with children annually through the tax-free Canada Child Benefit, with eligible families receiving up to \$7,787 per child in 2024-25.
- Building a Canada-wide system of early learning and child care, which is delivering \$10-a-day child care in eight provinces and territories, with all other provinces already cutting fees by 50 per cent and remaining on track to deliver \$10-a-day child care by March 2026, significantly ahead of schedule.

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The federal government is taking decisive action to launch a new National School Food Program to help ensure that children have the food they need to get a fair start in life, regardless of their family's circumstance.

- Budget 2024 announces the creation of a National School Food Program, which will provide \$1 billion over five years to

Employment and Social Development Canada, Crown-Indigenous Relations and Northern Affairs Canada, and Indigenous Services Canada, starting in 2024-25, to work with provinces, territories, and Indigenous partners to expand access to school food programs. This includes investments for First Nations, Inuit, and Métis communities as well as Self-Governing and Modern Treaty Partners, many of whom have some of the highest rates of food insecurity in Canada.

The National School Food Program is expected to provide meals for more than 400,000 kids each year.

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### **More Affordable Child Care**

[...] These supply-side investments are working. In September 2023, the labour force participation rate of prime working aged women reached a record high of 85.7 per cent. That means more families are bringing home more income. And, more people working means more economic growth. This is good social policy and good economic policy, and it is good feminist policy.

But there still aren't enough child care spaces. We need to build more spaces to give every child the best start in life, help every family save thousands of dollars on child care, and ensure the next generation of parents don't have to choose between having a family or a career. That is why the federal government is helping build more child care spaces.

- To launch a \$1 billion Child Care Expansion Loan Program, Budget 2024 proposes to provide \$179.4 million over five years, starting in 2024-25, with \$5.7 million in future years, to the Canada Mortgage and Housing Corporation.
- The Child Care Expansion Loan Program will offer \$1 billion in low-cost loans and \$60 million in non-repayable contributions to public and notfor-profit child care providers to build more child care spaces and renovate their existing child care centres.
  - The Canada Mortgage and Housing Corporation's expertise in financing capital projects will result in a fast roll-out of the program, and enable synergies between child care infrastructure and housing development.
- Budget 2024 also proposes to reallocate up to \$41.5 million over four years, starting in 2025-26, and up to \$15 million ongoing from within Employment and Social Development Canada to establish a new capacity building program to help providers apply for funding through the Child Care Expansion Loan Program, and to support Early Learning and Child Care research initiatives.

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### **Helping Early Childhood Educators**

Early childhood educators are critical to the success of the early learning and child care system. They help our children learn and grow. That's why the federal government has made fair wages for these educators a cornerstone of its plan; and why it is pushing provinces and territories to raise their wages.

Every community needs more educators, and the government is working to put the right incentives in place to make sure that happens. To increase access to early learning and child care in rural and remote communities, and increase training for early childhood educators nation-wide:

- Budget 2024 announces the government's intent to introduce legislative amendments to the Canada Student Financial Assistance Act and the Canada Student Loans Act to expand the reach of the Canada Student Loan Forgiveness Program to early childhood educators who work in rural and remote communities. The cost of this measure is estimated to be \$48 million over four years, starting in 2025-26, and \$15.8 million ongoing.
  - Student loan forgiveness will increase the longer an early childhood educator stays in the profession in a rural or remote area. This builds on enhanced student loan forgiveness provided to attract more doctors and nurses to rural and remote communities.
  - On an ongoing basis, this is expected to benefit over 3,000 early childhood educators per year who work in rural and remote communities.
- Budget 2024 proposes to provide \$10 million over two years, starting in 2024-25, to Employment and Social Development Canada's Sectoral Workforce Solutions Program to increase training for early childhood educators.

The federal government is calling on provinces and territories to do the same, and to ensure that the early childhood educators who instruct and care for our country's youngest are fairly compensated for the important work they do. This should include the creation of robust pension regimes. For a clear example of leadership, Nova Scotia recently announced a defined benefit level pension benefits for early childhood educators. Prince Edward Island also announced in the last year its defined contribution pension regime.

The federal government is pushing provinces and territories to take the bold action needed to support early childhood educators by developing workforce strategies that best support the recruitment, retention, and recognition of these essential workers. In addition, the government is extending student loan forgiveness to workers across health care and social services who work in rural and remote communities, as detailed later in this chapter.

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Canada-wide early learning and child care transfer payments are expected to increase from \$5.6 billion in 2023-24 to \$7.7 billion in 2028-29, which includes \$625 million over four years, beginning in 2023-24, for the Early Learning and Child Care Infrastructure Fund. Investments in Canada-wide early learning and child care will create more child care spaces so more families can benefit from \$10-a-day child care.

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**Related link:** Media Release: Child care advocates say Budget 2024 takes a pivotal step towards making \$10aDay available to all [3]

**Region:** Canada [4]

**Tags:** care economy [5]

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