

Bulk of Tories child-care benefits go to families with no child-care expenses: watchdog ^[1]

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EXCERPTS

The bulk of the benefits from the federal Conservatives' enhanced child-care spending will go to families with no child-care expenses, a federal watchdog says.

Jean-Denis Frechette, the parliamentary budget officer, analyzed the increases in child-care support announced by Prime Minister Stephen Harper in October. Enhancements of the Universal Child Care Benefit (UCCB), which goes to all families with children of a certain age, and the Child Care Expense Deduction (CCED) will together drive up Ottawa's child-care bill to \$7.9 billion by 2017 from \$3.3 billion in 2013, the PBO said.

Frechette concluded the majority of benefits from the increased spending on child care will go to families with no child-care outlays.

"Many of the families that benefit from federal child-care initiatives do not incur child-care expenses," the PBO said Tuesday. This can result from provincial child-care subsidies, having a relative or parent provide child care, or because the older children now covered by the UCCB no longer need child care, the report said.

"PBO estimates these families will receive the largest net gain of the recent enhancements to the UCCB," the report said.

In October, Harper announced that, under the UCCB, parents would receive \$160 a month for each child under the age of 6 - up from \$100 a month - and parents would receive \$60 a month for children aged 6 through 17. Under the CCED, the maximum amount that a family can claim on an income tax return increased to \$8,000 from \$7,000.

The latest proposals by the federal government will change the allocation of benefits, according to the PBO's analysis.

"In 2015, 49 per cent of these benefits would go to families with child-care expenses and young children, and the remaining 51 per cent to families with no child-care expenses and families with older children.

"Since families with young children spend more on child care, but will receive roughly half (49 per cent) of the federal child-care benefits in 2015-2016, their share will only cover 67 per cent of the amount they will spend on child care," the report said.

"Conversely, benefits that families with older children will receive from the government in 2015-2016 will represent nearly eight times the amount they will spend on child care."

The report prompted widespread complaints from critics of the Conservatives' child-care policy.

"The fact that 51 per cent of the money is going to go to people without child-care costs is staggering," said Carolyn Ferns of the Ontario Coalition for Better Child Care. "It confirms what we have always said about the UCCB: Love it or hate it, it's modest income support that has nothing to do with child care."

Child poverty activists said the PBO report is more proof that the UCCB should be scrapped.

"This is not child care-spending, but a tax policy," said Laurel Rothman of Campaign 2000. "If one wants to support low- and modest-income families escape poverty, access higher education and training, remain in the labour force and be promoted, then let's look at a fairer policy."

Raising the PBO report in the Commons, NDP Leader Thomas Mulcair said, "Why are the Conservatives spending billions on a child-care program that doesn't even provide child care to children?"

"Let us see what the PBO actually said about the government's policies: '... All eligible families will realize an increase in their after-tax incomes if the enhancements to the UCCB are legislated,' " Harper told MPs. "Also, according to the Parliamentary Budget Office, total federal spending on child care has nearly quadrupled under this government."

The UCCB was introduced in 2006 by the Harper government after it rejected a \$5-billion, five-year federal-provincial child-care plan. The Conservatives say it makes more sense to put money directly into the hands of parents.

But Toronto father of twins Eitan Grispun said he was "shocked" by the budget watchdog's findings. The \$200 a month he and his spouse currently receive through the UCCB barely covers about three days of child care for their 3½-year-old boys who attend Campus Co-op Daycare. The extra \$60 per child they will begin receiving every month in July will do little to make daycare more affordable, he said.

"Sure, every little bit helps. But it's still a huge struggle. I have had to take out a bank loan just to keep them in care," said Grispun, 40.

Grispun and his spouse Josh Katz, who works at a bank, moved to Canada from Israel in 2006 and have no family in the country they could rely on for child care, he noted.

So when they managed to find two infant spaces at Campus Co-op in 2011, Grispun says it was like "winning the lottery."

Grispun, who has just earned a diploma in early childhood education from George Brown College and is working part-time in an east-end daycare, says waiting lists for spots are long and frustrating for parents.

"I am shocked to hear they are spending so much and getting so little in the way of quality child care that families can afford," he said.

New mother Charlotte Genoa, 28, has resigned herself to staying home until her daughter Daisy, 5 months old, starts school.

"It's so expensive in Toronto and the waiting lists are so long," she said, noting that prices in her Parkdale neighbourhood start at \$100 a day for infants.

Even if Genoa could find a spot, the former salon assistant manager says daycare costs would eat up all of her salary. So the family will live on her husband's earnings in the film industry.

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