



## Early learning and child care in the 2021 federal budget

### Overview

Following on the commitment in the [2020 Fall Economic Statement](#) to “lay out the plan to provide affordable, accessible, inclusive and high-quality child care from coast to coast to coast”, [the federal budget](#) released Monday April 19<sup>th</sup> 2021 provides a historic commitment to early learning and child care. The \$27.2 billion over the next five years and commitment to build a “Canada-wide, community-based system of quality child care” represents the most significant federal financial and policy commitment to child care to date. This BRIEFing NOTE provides a summary of the commitments to early learning and child care laid out in the federal budget papers.

### Financing early learning and child care

The budget committed new investments totaling up to \$27.2 billion over the next 5 years. Combined with previous spending announced in the 2017 federal budget, federal spending for early learning and child care will total just under \$34 billion over five years.

By 2025-2026, the federal government will spend a minimum of \$9.2 billion annually on ELCC including funds earmarked for Indigenous ELCC.

Provinces and territories currently spend the bulk of public ELCC funds. The federal budget project that the federal government’s spending on ELC will equal provincial ELCC spending by year five.

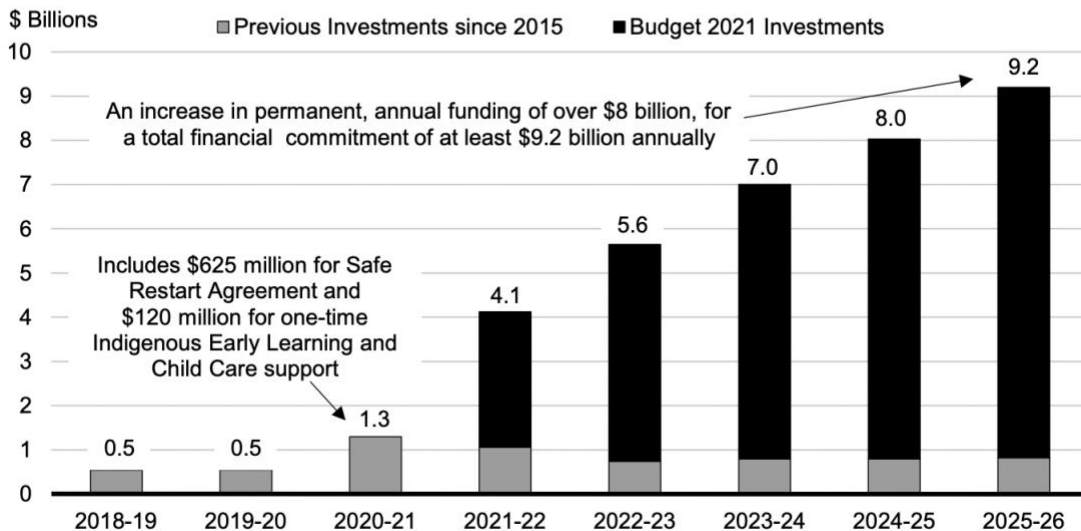
Federal funding in the 2021-2022 fiscal year will jump significantly to \$4.1 billion (see chart 3.3 below).

The budget also includes:

- ⇒ \$3.5 million ongoing, to Employment and Social Development Canada (ESDC) for a new federal Secretariat on Early Learning and Child Care.
- ⇒ A commitment to create a new National Advisory Council to provide expert advice, consultation and a forum for issues and challenges facing the early learning and child care sector.
- ⇒ An additional \$29.2 million over two years, starting in 2021-22, to ESDC to support child centres to improve accessibility in physical spaces for children with disabilities.

Chart 3.3

## A Historic, Permanent Federal Financial Commitment to Early Learning and Child Care



Source: Department of Finance. *A recovery plan for jobs, growth, and resilience: Budget 2021*. Pg. 102

## Affordability

Goal 1: A 50 percent reduction in average fees for all<sup>1</sup> regulated early learning and child care by the end of 2022. These targets would apply everywhere outside Quebec.

Goal 2: An average \$10/day parent fee by 2025-26 for all regulated child care spaces.

## Accessibility and expansion

The budget commits to ongoing annual growth in quality, affordable child care spaces across the country<sup>2</sup>.

The federal government will work with provinces and territories to support expansion of primarily not-for-profit quality child care spaces.

The budget also includes a commitment towards “meaningful progress” for before and after school care.

<sup>1</sup> Centre-based, family child care, not-for-profit, for-profit.

<sup>2</sup> Number of spaces not specified in Federal Budget 2021.



## Indigenous ELCC

Budget 2021 builds on the Indigenous Early Learning and Child Care Framework’s distinctions-based approach and framework with a proposed investment of \$2.5 billion over the next five years in Indigenous ELCC. Indigenous ELCC program funding will increase by three percent each year starting in 2027-28.

## The ELCC workforce

The federal budget notes that “with provincial and territorial partners, the government will work to ensure that early childhood educators are at the heart of the system, by valuing their work and providing them with the training and development opportunities needed to support their growth and the growth of a quality system of child care. Over 95 per cent of child care workers are women, many of whom are making low wages, with a median wage of \$19.20 per hour.”

## Implementation

To support a lasting federal commitment, the government will table federal early learning and child care legislation in fall 2021—following consultations with stakeholders, provincial, territorial, and Indigenous partners—to enshrine the principles of a Canada-wide child care system in law.

The federal government will seek to reach its early learning and child care goals by negotiating agreements including an asymmetrical agreement with Quebec that will allow for further improvements to their system.

The government will work with provinces/territories to build a baseline of common, publicly available data on which to measure progress, report to Canadians, and continuously improve the system.

## Resources

[Budget 2021: A recovery plan for jobs, growth, and resilience](#)

[Budget papers – EN](#)

[Budget papers - FR](#)

[Early Learning and Child Care backgrounder](#)

[CRRU Issue File: Federal Budget 2021: The child care budget](#)