

NEWS RELEASE

Governments in Canada spent more than \$25 billion on childcare in 2015

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For immediate release

TORONTO—The federal and provincial governments in Canada spent more than \$25 billion on childcare in 2015, with much of the funding targeted at low- and middle-income families, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

"The range of programs relating to childcare, and the degree of financial support by governments for families with children, may not be fully appreciated in Canada," said Christopher Sarlo, professor of economics and senior fellow with the Fraser Institute, and author of [*Child Care in Canada: Examining the Status Quo in 2015*](#).

For example, in 2015, of the \$14.4 billion allocated to just two federal programs—the Canada Child Tax Benefit (roughly \$122 per month per child) and the National Child Benefit Supplement (roughly \$190 per month per child)—about \$10.5 billion of the total went to low- and middle-income families.

In addition to federal benefit programs, parents can receive tax credits for childcare expenses, which cost roughly \$1 billion annually, and grants for educational savings, which cost another \$800 million.

The provinces also provide childcare benefits and daycare subsidies—again, targeted to lower-income families.

Quebec has the most generous provincial child benefits plan (which provides cash to low-income families) and a universal subsidized daycare program that costs low- and middle-income families a maximum \$7.30 per child per day. For very low-income families, that fee is waived.

Ontario, Canada's most populous province, has three provincial childcare programs including the Ontario Child Benefit (OCB), with its maximum benefit amount of \$1,336 per child per year for parents with an annual income in the \$20,000 range.

"Most of the provincial money dedicated to childcare in Ontario flows to lower-income families," Sarlo said.

The study also reviews recent literature on the cognitive and non-cognitive effects of daycare programs.

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