



The Association of Day Care Operators of Ontario
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-MYTHS & FACTS ABOUT THE \$10-A-DAY CHILD CARE PROGRAM-

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A BRIEF HISTORY OF THE \$10-A-DAY CHILD CARE PROGRAM

The Canada-Wide Early Learning and Child Care Program (CWELCC) was first introduced in the federal government's 2021 spring budget. It was then marketed to voters as universal, \$10-per-day child care during the 2021 federal election. At that time, parents with children in licensed care were led to believe that their child care arrangements would remain the same, they'd just pay less for them. Parents with children on waiting lists were led to believe that hundreds of thousands of more spaces would be created. Prior to this period, there was no public consultation about the program. Other than parent fees, it doesn't appear there was ever a plan to pay for the CWELCC. So far, the federal portion has been financed entirely with borrowed money. The CWELCC has been implemented through federal Agreements with each province and territory. Ontario signed its Agreement in March of 2022. It is the only province to outsource administration of the program to municipalities. So far, results for families vary widely from community to community. Results can even vary widely from centre to centre within the same municipality. This is due to a variety of factors, all of which are beyond the control of child care centres.

MYTH: THE \$10-A-DAY CHILD CARE PROGRAM (CWELCC) HELPS MORE FAMILIES ACCESS LICENSED CARE

FACT: In December of 2023, Statistics Canada reported that the number of families accessing licensed child care in Ontario was lower in 2023 than it was in 2019. It also reported that the number of Canadian families who have difficulty finding child care has increased from 53% to 62%.

MYTH: THE CWELCC PAYS FOR ITSELF BY INCREASING WOMEN'S LABOUR FORCE PARTICIPATION

FACT: In February of 2024, the Fraser Institute reported that the total labour force participation rate for women was 61.5 percent in September 2023 compared to a high of 61.7 percent in 2015. It also noted that recent increases in the size of the female labour force were concentrated in Quebec and among women with adolescent children, both groups that are unaffected by the new federal program.

MYTH: IT IS FAIRER AND MORE EFFICIENT TO FUND CHILD CARE CENTRES THAN FAMILIES

FACT: All Ontario families with children age five and under could receive between \$2200 and \$2700 per child per year if the federal funds allocated for Ontario under the current CWELCC agreement were administered directly to families. This is estimating conservatively and allowing a 10% margin for government delivery of the funds. Currently only about a third of Ontario families benefit from the program.

MYTH: THE CWELCC IS THE BEST WAY TO HELP LOWER INCOME FAMILIES ACCESS LICENSED CARE

FACT: Some 77% of high-income parents are accessing child care under the CWELCC, versus 41% of low-income families, according to Opposition comments recorded in the House of Commons Hansard. Yet, for some high-income parents, this makes child care costs higher than they were when they paid the full fees and took the corresponding tax deductions.



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MYTH: PARTICIPATING IN THE CWELCC IS SUSTAINABLE FOR CHILD CARE CENTRES

FACT: Many centres are struggling to keep their doors open because the CWELCC funding provided to them hasn't kept pace with inflation. While the program seems to work for some centres, others have shortened their hours, closed their infant rooms or left the program to try and stay afloat. Some critics suggest that too much of the funding is going to the government entities that administer the program.

MYTH: THE CWELCC IS A LONG-TERM SOLUTION FOR ONTARIO'S CHILD CARE CHALLENGES

FACT: More than a third of Ontario's licensed child care centres could be defunded after 2025/26 if the recommendations of the Senate Committee that examined the *Canada Early Learning and Child Care Act* are followed. The Committee recommended that future CWELCC funding agreements focus on investing in a public-sector child care system. The *Act* itself doesn't go quite that far, but does contain language that could be used to exclude child care centres run as small businesses from participating in the program when the current Ontario Agreement expires. If this occurs, many of the families these centres serve could wind up being displaced. Many of these centres would be at risk of closure, if they couldn't quickly transition to a full-fee model.

MYTH: IF MY CENTRE OPTS OUT OF CWELCC, THERE IS NO OTHER HELP WITH MY CHILD CARE COSTS

FACT: There are still other options available to families to help them access licensed child care.

- If you qualify for a Provincial fee subsidy, your local municipality may still be able to help you with your child care costs. You can find out more at: <https://www.ontario.ca/page/child-care-subsidies#section-0>
- The Provincial CARE tax credit is available to help offset some of the costs of using licensed child care. You can find out more here: <https://www.ontario.ca/page/ontario-child-care-tax-credit>
- The Canada Child Benefit is also available. You can find out more here: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview.html>

WHY YOU ARE RECEIVING THIS INFORMATION

The licensed child care program your child attends is a member of the Association of Day Care Operators of Ontario (ADCO). Established in 1981, ADCO is the industry association for independent licensed child care programs in Ontario, both commercial and not-for-profit. ADCO members include licensed child care programs, home child care agencies, nursery schools, preschools, Montessori schools and private schools. ADCO member programs are not run by any public sector entity such as a municipality or a school board, or by any large multi-service agency such as a YMCA. Not all ADCO members participate in the federal government's \$10-per-day program. ADCO is non-partisan and provides a forum for the owners and managers of Ontario's independent licensed child care programs to work together to continually enhance child care quality and service to parents. ADCO produces fact sheets, articles and other information resources designed to facilitate informed conversations between and among child care providers, parents and policy-makers.