



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Cost Estimate of Election Campaign Proposal

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Short Title: Financial support for expecting families

Description: Starting on January 1, 2022, from the 28th week of pregnancy until the birth of the child, an eligible family would receive the maximum CCB benefit that eligible families with one child under the age of 6 receive, indexed to inflation. The maximum benefit will be determined based on the adjusted family net income from the previous year, indexed to inflation.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Total cost		86	341	349	356	363	1,495

Notes:

- Estimates are presented on an accruals basis as would appear in the budget and public accounts.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
- "-" = PBO does not expect a financial cost.

Estimation and projection method: For 2022-2025 SPSPD/M¹ was used to estimate the cost, adjusted for PBO's 2021 Election Proposal Costing Baseline. The number of eligible families with newborns in SPSPD/M was used as a proxy for the number of eligible families who are expecting a child after the third trimester. The probability of giving birth to a child for each sub-period between 28 and 42 weeks was considered when calculating the average payment period. For 2026, cost was grown by the assumptions in 2021 Election Proposal Costing Baseline.

Source of Uncertainty: The estimated cost of the measure depends on the projected Consumer Price Index (CPI), adjusted family net incomes (AFNI), their distribution and the expected birth rate. Additionally, SPSPD/M assumes a uniform growth rate across all income distributions. Thus, the cost could vary if incomes or the CPI grow at a slower/faster pace, or if incomes grow at a slower/faster pace at various income distributions.

Data Sources:	Variable	Source
	Canada Child Benefit	SPSPD/M 28.1 and 2021 Election Proposal Costing Baseline

¹ This analysis is based on Statistics Canada's Social Policy Simulation Database and Model (SPSPD/M). The assumptions and calculations underlying the SPSPD/M simulation results were prepared by the Office of the Parliamentary Budget Officer (PBO) and the responsibility for the use and interpretation of these data is entirely that of the PBO.

