



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

Cost Estimate of Election Campaign Proposal

Publication Date:	September 2021						
Short Title:	Financial support for early childhood education and care						
Description:	Increasing spending by \$1 billion annually until public spending on early childhood education and care is equal to a benchmark of 1% of GDP. This proposal will be effective January 1, 2022.						
Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost	250	1,250	2,250	3,250	3,632	10,632
Notes:	<ul style="list-style-type: none">· Estimates are presented on an accrual basis as would appear in the budget and public accounts.· A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).· "-" = PBO does not expect a financial cost.						
Estimation and projection method:	Baseline public spending includes total provincial-territorial allocations for regulated child care, the Canada Child Benefit for children under 6 years old, and Budget 2021 spending for establishing a Canada-wide early learning and child care (ELCC) system. Historical data for total provincial allocations were projected forward using inflation and demographic projections from the EPC baseline. The projection of Canada Child Benefits was based on SPSPD/M ¹ . The proposal increases federal spending on early childhood education and care by \$1 billion annually (calendar year basis) until public spending reaches 1% of GDP.						
Source of Uncertainty:	The main source of uncertainty relates to the projection of baseline public spending and nominal GDP.						
Data Sources:	Variable	Source					
	Provincial and territorial expenditures	Childcare Resource and Research Unit					
	CPI, GDP and 0-5 population projections	PBO EPC baseline					
	Canada-wide ELCC	Budget 2021					
	Canada Child Benefit	SPSPD/M					

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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.