

Daycare fees in Toronto jump 15 per cent in two years, survey finds ^[1]

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EXCERPTS

Toronto mother Crystal Hunt is losing money every day she works because the cost of daycare for her baby and toddler is more than she earns in take-home pay.

“I had an opportunity to work for this amazing company,” says Hunt, 33, who took an entry position with the e-commerce company Shopify this fall.

“I needed to be in the workforce. If I waited until my kids were in school, my skills would be null and void. And I can’t afford to go to school again. We have a mortgage.”

Monthly fees for Hunt’s two boys — Ethan, 16 months, and William, 3 — are more than \$2,600 in after-tax dollars, “my entire salary,” she says.

Hunt and her husband Jonathan are not alone in their struggle to pay for child care in Toronto, where parent fees are still the highest in the country, according to the third annual survey of child care fees in Canada’s largest 28 cities.

Median monthly fees in the city top \$1,649 for infants, \$1,375 for toddlers and \$1,150 for preschoolers.

And the daycare sticker-shock is only getting worse, says the report being released Monday by the left-leaning Canadian Centre for Policy Alternatives.

Across the country, fees have jumped an average of more than 8 per cent in the past two years, three times faster than inflation, the report says; in Toronto, fees have spiked by 15 per cent.

At about \$36,000 a year, the median cost of licensed daycare for a baby and a toddler in Toronto is more than university tuition, the report notes.

“It will be no surprise to many parents that regulated child care is expensive, but what is most shocking is that in many cities fees have risen much faster than inflation since 2014,” says economist David Macdonald, the study’s author. “This can amount to parents paying a \$1,000 more a year per child than they did just two years ago.”

Macdonald, who says he doesn’t know why fees have skyrocketed, hopes to dig into the reasons during next year’s survey.

“Even if we could explain it, I don’t know if that would help, particularly, because they still have to pay the fees,” he adds.

Although fees have increased significantly in Quebec since 2014, from what was once a flat rate of \$7 a day to a sliding scale of up to \$20, cities in that province still have the most affordable child care. Median monthly fees in Montreal run at \$164.

Cities in Manitoba and Prince Edward Island, where provincial governments set fee caps, have the next most affordable monthly fees, at \$451 and \$608 respectively for toddlers, the report says.

For low-income parents receiving daycare subsidies, monthly fees vary widely from almost \$500 for parents in Saskatoon and Calgary to just \$90 for Ontario families, the report adds.

The survey also looked at wait-list fees and found that 20 per cent of Toronto centres were charging them, before they were banned by the province in September. The prevalence of such fees was even higher outside the city — 25 per cent in Vaughan and 41 per cent in Markham. In Vancouver, half of centres charge wait-list fees, Macdonald notes.

“Child care is a big expense for folks and policy can make a big difference on this front,” he says. “Hopefully this survey — the only one of its kind — will be of use to policy makers,” he adds.

The report comes as Ontario is planning a massive expansion of licensed child care and Ottawa is consulting with provinces and territories on a national early learning and child-care framework, notes the report's co-author Martha Friendly.

"Child care fees vary predictably across the country based on provincial policy," says Friendly, executive director of the Childcare Resource and Research Unit. "They are lowest in provinces that set the fees and higher in the cities that are market driven."

The report shows that policy matters when it comes to affordability, she adds.

Ontario's minister responsible for early learning and child care says she is looking to parents, early child care educators, daycare operators and academics for direction on the province's plan to create an additional 100,000 licensed child-care spots for kids from birth to age 4 over the next five years.

"We know parents are facing challenges when it comes to child care," says Associate Minister of Education Indira Naidoo-Harris. "This conversation can't happen without talking about affordability."

The provincial consultation is also seeking input on accessibility, quality and how to build a system of early-years programs that is responsive to the needs of all children and families.

Although the report shows that provinces that regulate fees have the most affordable child care, Naidoo-Harris says she wants to create a "made in Ontario" solution.

She says she hopes to have a draft framework ready soon after provincial consultations conclude at the end of January.

-reprinted from Toronto Star

Region: Canada ^[3]

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