

A growing concern: 2016 child care fees in Canada's big cities ^[1]

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Full report PDF ^[2]

Executive summary

As a new national framework on early learning and child care is being developed by federal/provincial/territorial governments/Indigenous communities, as a first step, the federal government has committed to a \$500 million investment in child care in the 2017 budget, with improving affordability a potential focus. There is much work to be done in this area, as parental child care fees vary dramatically across the country.

Infant fees are generally the most expensive and there are fewer infant spaces than there are spaces for any other age category. Toronto has the highest median infant fees at \$1,649 a month, or \$19,788 a year, more than twice what Ontario university students pay in tuition fees. Markham and Vaughan, both suburbs of Toronto, have the next highest monthly fees at \$1,454 and \$1,363 respectively. The lowest infant fees are found in Montreal at \$164 a month and the rest of the cities in Quebec (Gatineau, Laval, Longueuil and Quebec City) at \$179 a month. Winnipeg is next cheapest at \$651 a month.

Quebec, Manitoba and PEI all have fees set by the province with base funding paid to service providers. Quebec does not have different fees for respective age categories, which means that infant fees in Quebec are significantly cheaper than what is charged in other provinces.

Toddlers are the second largest category in terms of spaces, with fees generally somewhere between what you would pay for infants and preschoolers. One of the more striking discoveries of this survey is the extent to which child care fees are rising rapidly in most big cities. Toddler fees have risen by 8% on average between 2014 and 2016 (while inflation over this same period was only 2.5%). Quebec City, Longueuil, Laval and Gatineau have seen the largest increase at 18% (or \$27 a month) since 2014, followed closely by Burnaby (\$180 a month) and Kitchener (\$178 a month).

Despite large increases in other cities, Toronto still has the highest toddler fees at \$1,375 a month. Vancouver is not far behind with toddler fees of \$1,325 and Richmond has median fees of \$1,210 a month. The least expensive cities were Montreal at \$164 a month, Quebec City, Longueuil, Laval and Gatineau at \$179 a month and Winnipeg at \$451 a month.

Preschool spaces are the most abundant by far, and generally have the lowest fees of the three age categories. As with toddlers, this report has uncovered a striking increase in preschool fees in most big cities. On average fees have risen 8% over the past two years (compared to a 2.5% inflation rate). The cities seeing the largest percentage increases are Gatineau, Laval, Longueuil and Quebec City where fees rose 18%. Toronto saw fees rise 15% or \$152 a month since 2014, equivalent to six times the rate of inflation. Burnaby saw the third highest increase at 13% or \$95 a month.

Toronto has the highest preschool fees in the country at \$1,150 a month, meaning it has the highest fees in all three age categories. Seven cities (Kitchener, Calgary, Vaughan, Markham, Ottawa, Mississauga and London) are not far behind with fees close to \$1,000 a month. At the other end of the spectrum is Montreal with fees of \$164 a month, the other cities in Quebec at \$179 a month and Winnipeg at \$451 a month.

Wait lists are a common feature of centre-based care with almost all of the cities surveyed reporting that at least 70% of centres maintain a wait list. A wait list fee is also reasonably common with almost half of Vancouver centres and a third of Richmond centres charging one. Ontario banned the practice in September, which will have a particular effect in Markham, Vaughan and Windsor where the practice was more common.

Though provinces often try to offset fees with subsidies for low-income families, in many cities out-of-pocket fees remain high despite this aid. Saskatoon and Calgary have out-of-pocket fees of almost \$500 a month for a preschooler, likely a significant impediment to using child care despite subsidies. The lowest out-of-pocket fees of \$90 a month for a subsidy-eligible family are in Ontario.

Three things are clear from three years of surveying child care fees in Canada's big cities. First, fees vary significantly across the country; they are the lowest in provinces that set the fees provincially and they are highest in the cities where the market determines the price.

Second, fees continue to rise rapidly, constraining the budgets of parents with young children. Third, low-income parents pay out of pocket for considerable sums in many of the cities surveyed (if they can afford to use regulated child care). This includes cities in provinces using both fee subsidy systems and those with set fees and base funding.

Selected media coverage

Skyrocketing child care fees outpacing inflation in Canada: study ^[3]
Hamilton Spectator, 12 Dec 2016

Daycare fees in Toronto jump 15 per cent in two years, survey finds ^[4]
Toronto Star, 12 Dec 2016

Childcare costs jump, are among highest in OECD ^[5]
Radio Canada International, 12 Dec 2016

Child-care costs rise in Canada's major cities as Liberals craft plan
^[6]CTV News, 12 Dec 2016

Region: Canada ^[7]

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fees ^[9]

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Links

[1] <https://childcarecanada.org/documents/research-policy-practice/16/12/growing-concern-2016-child-care-fees-canada%E2%80%99s-big-cities> ^[2]

[https://www.policyalternatives.ca/sites/default/files/uploads/publications/National Office/2016/12/A_Growing_Concern.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/A_Growing_Concern.pdf) ^[3]

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