

Analysis: Daycare fees on the rise across Canada ^[1]

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EXCERPTS

When Jamie Towers gave birth to her daughter Marley a year-and-a-half ago, daycare was never part of the plan for the new family.

“It’s just ridiculously expensive here,” Towers, a Vancouver resident, said. “Some places you’re paying more for child care than you are for rent.”

Towers, an eyelash technician, went back to work only eight months after she gave birth, while her husband, Neil, gave up his full-time job with a moving company to become a stay-at-home dad.

It’s become an all-too familiar story – young Canadian families often find the costs of putting their child in full-time care more of a burden than living off a single income.

A typical dual-income family with young children in Canada spends about one-third of their net income on childcare fees – and that’s if they can even get their child into a child care program.

A 2017 study by the Canadian Centre for Policy Alternatives explored the problem, surveying licensed full-time child care facilities in 28 cities across the country to find median child care costs in Canada.

They found that the median price of licensed child care for an infant in Toronto is more than ten times what you would pay for a similar service in Montreal. At \$1,758 a month, a year of child care can end up costing Toronto families almost as much as four years of university tuition.

In the lead-up to the Ontario election, where child care may be a ballot-box issue for many parents as it was in the Vancouver provincial election, CTVNews.ca presents a breakdown of the report, exploring the costs and scale of the child-care problem in Canada.

Breaking down child care terminology

In the study, child care is divided into three categories – infant, toddler, and preschooler. The researchers define these categories as birth to two years for infants, 18 months to three years for toddlers, and two-and-a-half years to kindergarten age for preschoolers, which is age four or five, depending on the province.

These categories often see wildly different prices for full-time care, as a result of the smaller number of facilities available for infants, as well as the higher ratio of caregivers to children required by law. This means that while preschool age child care tends to be a lower figure overall, it gives the best idea of what the average family pays, since half of children in child care centres in Canada fall into this category.

The costs of child care across Canada

The most recent Statistics Canada figures from 2011 found that 54 per cent of parents reported using child care services for their children under four years. David Macdonald, senior economist at the Canadian Centre for Policy Alternatives and co-author of the Time Out study, say that this number reflects the fact that generally, Canadian parents work, and need to find some sort of child care.

With a national average cost of approximately \$10,000 a year, child care can often cost as much as a year of university tuition. And these figures assume a family only has one child that needs to be enrolled in child care.

Looking across the country, the study found that Ontario has the top three cities with the highest child care costs, localized in the Greater Toronto Area.

Toronto is the most expensive city for child care, with the median cost of infant care in the city being \$1,758 a month, or \$21,096 annually. Toronto is followed closely by Mississauga at \$1,451 monthly and Vaughan at \$1,360. The next highest cost, and the first outside of Ontario, is Vancouver, with a median cost of \$1,360.

Toddler- and preschooler-aged care costs are lower, but still expensive, at \$1,354 and \$1,212 in Toronto, respectively.

On the opposite end of the spectrum, Montreal has the lowest costs for child care, with a median cost of \$168 per month. That number is followed closely by Gatineau, Laval, Longueuil, and Quebec City – all with a median cost of \$183. These cities don't necessarily charge more, however – the differences are a result of the way their fees are calculated.

In Quebec, child care costs are set by the government, implementing a sliding scale based on family income. For families with incomes under \$52,060, child care costs \$7.75 a day, while the maximum amount is \$21.20 for families with income in excess of \$162,490.

Quebec isn't the only province to regulate fees, however – Manitoba and P.E.I. also have government-set rates in some facilities. Quebec's system remains unique though, as the fees for child care don't change based on the age of the child. This more affordable infant care allows parents to get back to work quicker after the birth of their child.

Fees on the rise across Canada

The costs of child care are growing across the country, with 20 of the 28 cities involved in the study seeing an increase in fees since 2016 that outpaced the rate of inflation. Most cities saw an increase in the range of two per cent to three-and-a-half per cent – almost twice the rate of inflation.

And researchers aren't quite sure why that's the case.

Macdonald says that while some fee increases, such as those in Quebec, can be explained by set yearly increases, most can't. "In most of the market systems, they're also increasing, and can be increasing at a fairly quick rate," Macdonald said. "And it's not clear exactly why they're increasing so rapidly."

Richmond, B.C. saw the most drastic changes, with a 12 per cent jump in fees over the past year, which can be attributed to individual care providers raising fees, as well as new facilities with higher prices opening.

St. John's, Burnaby, and Calgary are also outliers, with a drop in fees of up to 2.4 per cent, while Kitchener, Vancouver, Charlottetown, and Winnipeg had fees remain the same.

Winnipeg and Charlottetown are notable cases, as both provinces that support child care operationally, and have set fees that haven't changed since 2014.

Region: Canada ^[3]

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