

Developmental milestones: Child care fees in Canada's big cities 2018 ^[1]

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Executive Summary

It has been five years now since the Canadian Centre for Policy Alternatives began gathering information on child care fees across Canada. Over four months each year, we conduct approximately 10,000 phone calls with child care centres, regulated family child care homes and child care agencies in 28 big cities to find out how much it costs parents to enrol their infant, toddler or preschooler in full-time, full-day child care.¹ This information allows us to determine a median child care fee in each category for each of the 28 cities surveyed.

By repeating the same survey each year, we create a consistent source of data on child care fees through which we can follow trends over time. The survey will also allow us to assess the impact of child care policy on fees, as we do in this report in light of recent moves in several provinces to begin setting fees for infant, toddler and preschooler care spaces. Quebec, Prince Edward Island and Manitoba have for some time set child care fees and made up the difference with operational funding to providers. In each of these provinces at least two-thirds of all child care spaces are within the set-fee system while the rest charge market rates, which are generally higher. In the last few years, British Columbia, Alberta and Newfoundland and Labrador, with some financial support from the federal government, have also started to set fees in centres under specified circumstances.

These new set-fee policies were at various stages of implementation when our 2018 phone survey was conducted. Our results show that these provincial efforts—even in the early stage—are having a measurable effect on fees in the cities we surveyed.

Parent fees, including at centres and regulated home child care, are generally highest in the infant care category (under the age of two, though this varies by province) and there are considerably fewer spaces than there are for toddlers or preschoolers. The highest median infant fees are found in Toronto, ON (\$1,685 a month) and nearby Mississauga (\$1,591 a month) and Hamilton (\$1,497 a month). The lowest fees in this category are in the Quebec cities of Montreal (\$175 a month) and Gatineau, Laval, Longueuil and Quebec City, where the median fee (also the province's set fee) is \$190 a month. The next lowest fees are found in Winnipeg, MB (\$651 a month) and Charlottetown, PE (\$738 a month), both provinces with provincially set fees.

In the toddler category, which generally encompasses children aged 18 months to three years, the highest median fees are found in Vancouver, BC (\$1,407 a month) followed closely by Toronto (\$1,367 a month) and Mississauga (\$1,269 a month). Again, due to Quebec's set-fee system the lowest fees are found in Montreal (\$175 a month) and Gatineau, Laval, Longueuil and Quebec City (\$190 a month). Toddler fees in Winnipeg (\$451 a month) and Charlottetown (\$608 a month), where fees are also set, are low compared to most other Canadian cities, but still many times more expensive than in Quebec.

The largest category of child care—comprising half of all regulated spaces in most cities and two-thirds of all centre-based care spaces—is the preschool-age group for children aged about three to school age depending on the province. As the most popular type of child care, parents are most likely to have to pay preschooler fees, which are highest in Toronto (\$1,150 a month) and its suburbs of Brampton (\$1,146 a month) and Mississauga (\$1,127 a month). But fees of about \$1,000 a month are common across Ontario, BC and Alberta. Once again Quebec's set fees (Montreal at \$175, then Gatineau, Laval, Longueuil and Quebec City at \$190) are at the other end of the fee spectrum, followed by Winnipeg (\$451 a month) and Charlottetown (\$586 a month).

In previous years we have pointed out how common it is for child care fees to go up faster than the rate of inflation. In 2018 this was the case in 17 of the 28 cities surveyed. At the same time, fee-reduction efforts in Newfoundland and Labrador and Alberta appear to be lowering costs for parents. Preschooler fees in St. John's, NL are down 13% since last year, while Edmonton's median preschool-age fees dropped 6% and Calgary's fees rose by less than the rate of inflation. It is too early to tell the impact that fee-lowering measures are having in BC, as they were not yet in effect at the time of the survey.

This year we did our first significant survey of the market-based fees in provinces with set fees. This is important because even in provinces where fees are set, roughly a third of child care spaces are in the market-priced system, although this isn't visible in our "median" approach. In the infant category, the most expensive market fee is found in Winnipeg where parents pay a median of \$1,400 a month for a

space. Quebec City has the second most expensive median market fee (\$1,042 a month) followed closely by Gatineau (\$977 a month).

For parents of preschool-aged children, Winnipeg is again the most expensive city (\$982 a month for a space) followed by Quebec City (\$955 a month) and Gatineau (\$911 a month). Indeed, the market fees in set-fee provinces are quite similar to what parents would pay in market-based provinces like Ontario. This is especially important in Quebec, where threequarters of all new spaces created since 2011, representing an additional 67,200 spaces, have been outside the set-fee system. Even though Quebec's market-priced child care fees are also substantially subsidized through tax credits to parents, market-priced spaces still cost between two and three times more than spaces in the set-fee system.

Finally, as in past years, our 2018 report looks at the prevalence of wait lists and associated fees for child care in Canadian cities. At the high end, more than 40% of centres in Edmonton and Calgary charge parents a fee to put their children on a wait list, while the numbers are lower in BC and Atlantic Canada. Although Ontario banned child care wait list fees in 2017, a few centres continue to charge them under the guise of a first month's fee rebate. Our survey found centres in St. John's, Edmonton and Calgary offering lower set fees but also charging wait list fees, which could well act as a barrier to access.

If there is a main conclusion we can draw from the results of this year's child care survey it is this: provincial set-fee regimes are reducing costs to parents. The effect of these new programs, however, is not the same across the board. Tracking child care fees over time allows parents and decision-makers to see where child care policy is having an impact and where more needs to be done to bring down costs to parents. Recent federal-provincial efforts to address spiralling increases in child care fees make it more important than ever to understand the successes and pitfalls other jurisdictions have experienced—so that we might build a more effective, equitable framework for delivering affordable child care for all.

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