

Why is the cost of daycare in Canada so high? ^[1]

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EXCERPTS

Lisa Fockler wanted to keep working. She's a store manager at Indigo, a job she enjoys and is good at, and where she has a tight-knit group of co-workers. But once she got pregnant and she and her husband started looking at daycare options, it was soon clear that staying at work just didn't make financial sense.

"The cost is insane," Fockler told HuffPost Canada. "We don't make enough to be able to afford daycare."

They were looking at a minimum cost of \$50 per day in their area of Keswick, Ont., a small community north of Toronto. But their situation was complicated by the fact that neither Fockler nor her husband work typical 9-to-5 hours. She either works early in the morning or until nighttime, while her husband works 8 a.m. to 4 p.m. doing jobs for the city, and is on call 24/7 during the winter for snow plowing work. The one daycare she found with flexible hours was even pricier — \$70 per day.

Now that her son is eight months old, Fockler has decided to stay home with him. The annual cost of daycare would be just slightly less than her salary.

"I know there are a lot of people financially worse off than us, but to only break even — it's scary," she said.

Costs vary, but most of the country is very expensive...

"Child care is necessary for modern families to function," Martha Friendly, the founder of the Childcare Resource and Research Unit, told HuffPost Canada.

Yet, for most parents, it's an incredibly costly venture.

A 2016 study by the Organization for Economic Co-operation and Development found Canada to be among the most expensive countries in the world for child care-costs. The average two-income family in Canada spends about 22.2 per cent of their net salary on child care, higher than the world average of 15 per cent. Single parents, meanwhile, spend nearly a third of their income on child care.

Daycare costs vary across the country, and depend on the age of the child, and usually decrease as children get older. (The one exception is Quebec, where fees remain the same.)

Infant care is most expensive in Toronto, where the average monthly cost is \$1,758, which amounts to an annual fee of \$21,096, according to a 2017 ranking. It's followed by nearby cities Mississauga and Vaughan. Vancouver, Kitchener, Burnaby and Calgary come after, with monthly costs between \$1,250 and \$1,360.

The same geographical trends persist for toddlers and preschoolers, with Ontario and B.C. at the higher end of the cost spectrum. Care for these older kids can range from \$1,000 to \$1,354 per month in these provinces, according to the report.

It's worth noting that these Canadian Centre for Policy Alternatives figures were calculated before Ontario's minimum wage hike in 2018, which further increased daycare fees across the province. The Toronto Star reported that some parents in the city saw their fees rise as much as 24 per cent.

Aside from Quebec, the country's most affordable daycare is in Manitoba and PEI, where the government covers some of the operational costs like building fees. The average annual cost of 2017 child care in Winnipeg is \$651, and \$738 in Charlottetown.

... except for Quebec

Quebec is the only province with universal daycare (although many provinces do offer subsidies based on certain criteria. For instance, New Brunswick offers significant subsidies for low-income families). Care in Quebec is on a sliding scale depending on family income, and costs somewhere between \$146 and \$400 a month, according to the 2017 report. This is a far cry from the quadruple digits in the areas around Toronto.

The program in the province was introduced in the late '90s as a way to increase women's participation in the workforce. Since then, 85 per cent of Quebec women between the ages of 26 and 44 work — the highest rate in the world, according to CityLab.

That increase in income tax more than pays for the amount of money the government puts in, Université de Québec à Montréal economics professor Pierre Fortin told CityLab.

But Quebec's model is far from perfect, Friendly added. As in many other parts of the country, there's more demand than there are spots. Private daycare centres have stepped in to fill the gaps, and the quality of care they offer is significantly lower, she explained. Because they're private, they don't have to adhere as strictly to educational standards.

But while there are lots of issues that need to be worked out in Quebec's system, "it changed the dynamics entirely to make it much more affordable," Friendly said.

So, why are costs so high?

There's essentially a philosophical difference in the way we think about child care in Canada versus countries like Sweden, in Friendly's view. Here, child care is generally seen as an individual responsibility: you had a kid, it's your job to finance their care. But in the European countries that consistently rank highest for meeting early childhood education standards, child care is a societal responsibility that is seen to benefit everyone, she said.

Child care is one of the building blocks of a healthy society, Friendly said. "You can't build a new community unless you put sewers in, or schools, or roads. What about child care?" she said. "It's something that families really need."

Currently, child-care centres open depending on the market — not depending on need. They'll open when a private group, or a business, or concerned parents decide to open a child-care centre, she explained.

"That's a serious barrier to developing a system, even if you have political will and you have the money."

As a result, there aren't enough spots for the babies and young children who need them, and limited availability drives costs up. Nearly half of young children in the country live in "child-care deserts" where the number of children surpasses the available spaces.

"Without a public, universal system of education for young children, affordability is an issue for many Canadian families, but availability is also inequitable," Unicef wrote in a 2018 guide.

Has anyone ever tried to institute universal child care?

Universal child care was initially proposed in 1970 in the Royal Commission of the Status of Women. "The care of children is a responsibility to be shared by the mother, the father and society," the report read. "Unless this shared responsibility is acknowledged and assumed, women cannot be accorded true equality."

In 1984, a task force ordered by the governing Liberals suggested a national child-care plan. But the Liberals lost power before the group finished their work.

Twenty years later, the Liberals under Prime Minister Paul Martin put forward a universal child-care plan, but it was cancelled when the Conservatives won the 2006 election. Stephen Harper's government replaced the plan with a child-care benefit.

Years later, Martin told the Toronto Star that he's still frustrated that the plan was never implemented. "The Conservatives cancelled an existing, operating child care plan that had been signed by all 10 provinces and was under way," he said.

So is universal child care in Canada actually possible?

Maybe, but not everyone agrees that that's where Canada should go. Laura, a mom of two living in one of the less expensive cities in southern Ontario, said she's willing to pay a high price because she wants child care workers to receive decent wages.

"I believe if I choose to have kids and go to work, it is my responsibility to pay for daycare," she told HuffPost Canada. (Laura asked that her last name and location not be used in order to protect her family's privacy.)

And she doesn't think it's fair or feasible for child care to be subsidized. "The government paying for daycare is ludicrous," she said. "Our schools and our healthcare are in such desperate need of more funding, our extremely over-crowded hospitals are getting to crisis points."

When asked if universal child care will ever be a reality for Canadian parents, Friendly laughed, and said she's been pushing the issue for 45 years.

"I think it will happen, but I think it's by its very nature incremental," she said. She points to the fact that it was addressed by three of the major parties during the recent federal election as a sign of progress.

"At the national level I think there is political will, and there's certainly a demand for it," she said.

Each province should develop a strategy, figure out how to make it affordable for parents, and work on maintaining a well-educated work force, Friendly said. "You can only do that and maintain affordability by publicly funding it, because otherwise you're playing the parents off the work force."

And Canada is in a relatively good position on a global scale, in that we have lots of success stories of other countries to look into.

"This is an area where there's a lot known, and in a sense Canada is in a position to capitalize on what other people have learned," she said.

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