

Low enrolment, PPE costs push child-care centres across Canada to edge of insolvency ^[1]

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EXCERPTS

Willow Lake Tiny Tots Daycare was, until recently, the only child care centre in Anzac, a rural community approximately 40 minutes south of Fort McMurray, Alta.

When it opened in 2016, many families in the community were finally able to become two-income households, says Sarah Pocock, vice-chair of the centre's board of directors.

But the financial strains of the pandemic were too much for the centre to continue to operate and Ms. Pocock says providing personal protective equipment to staff would have swallowed the budget.

The board reluctantly decided earlier this month to close the centre permanently.

"Our families were devastated," Ms. Pocock says.

Willow Lake Tiny Tots Child in Anzac, Alberta, closed its doors because of Alberta government funding cutbacks and COVID-19 related expenses, says Sarah Pocock, vice-chair of the child-care centre's board of directors.

In Alberta, 17 per cent of the province's daycares, out-of-school care and pre-school programs are currently closed, while in Ontario hundreds of child care centres that were operating prior to the pandemic have yet to reopen, according to government data. It is not known how many of them ever will reopen. Although data from elsewhere in the country are unavailable, these figures paint a dire picture.

Many of the child care centres across Canada that have opened their doors again are hanging by a thread, with low enrolment, PPE costs and other pandemic-related expenditures wreaking havoc on their bottom lines. Child care advocates are looking for the promises made in Wednesday's Speech from the Throne for more public funding to save what they say is a system at a crisis point caused by the pandemic.

Unlike Willow Lake Tiny Tots, many centres have opened their doors again but are hanging by a thread, with low enrolment, PPE costs and other pandemic-related expenditures wreaking havoc on their bottom lines.

"It's a perfect storm that takes an already fragile sector and makes it even more fragile and absolutely teetering on the edge," says Don Giesbrecht, chief executive officer of the Canadian Child Care Federation, a professional association of early childhood educators.

The Trudeau government pledged to create an affordable child care system in Canada, a promise previous governments have made before.

"The government will make a significant, long-term, sustained investment to create a Canada-wide early learning and child care system," the speech said.

While further details of what that plan will look like were not provided, Mr. Giesbrecht says it signals a commitment to rescue Canada's vulnerable child care system.

"The signal is very clear that this is where Canada is heading and we're very happy with that," he says.

The need for affordable child care has hovered over federal politics in Canada at least since the Royal Commission on the Status of Women identified it as a major barrier to women's economic equality 50 years ago.

This time, however, there is more reason to believe it will happen, Mr. Giesbrecht says.

"There's a broader consensus on the table. The pandemic has really cast a light again on the fragility of the system," he says.

Monica Lysack, a professor of early childhood education at Sheridan College, says that the "momentum has shifted."

"We have been here before, but what is different now is the realization that Canada's economic recovery depends on child care," she says.

A survey of more than 8,000 regulated child care service providers conducted this spring by the Childcare Resource and Research Unit, a non-profit policy research institute, found that more than one-third of respondents were unsure whether they would reopen.

The vast majority of centres surveyed said COVID-19 health and safety measures, difficulty hiring and low enrolment were the main reasons as to why reopening may not be viable.

Of the more than 5,500 licensed child care centres that were operating in Ontario prior to the pandemic, more than 400 remain closed, according to government data.

Those that remain closed for much longer are not likely to ever again reopen, given the precarious financial situation most child care centres were in even before COVID-19, says Carolyn Ferns, spokesperson for the Ontario Coalition for Better Child Care.

“If they close down, those child care centres aren’t going to be there in a year when we need them to be,” she says.

Although child care costs differ greatly across Canada, their profit margins are typically very low.

In Toronto, where costs are highest in the country, the median monthly cost is \$1,675, while in Montreal, where rates are lowest, the median monthly cost is \$175, according to a study released last year by the Canadian Centre for Policy Alternatives.

Quebec’s system, a model the government said it would “learn from” in the Throne Speech, was introduced in 1997. It provides subsidized daycare for \$8.35 a day.

Most child care centres need to run at full capacity simply to break even, Mr. Giesbrecht says. Staffing costs typically consume 80 to 90 per cent of their budgets. Factor in the money lost from low enrolment because many parents are reluctant to return their children to care at the moment, plus the cost of new health and safety requirements, and the result is that many centres are in desperate need of more public funding, he says.

“This is not a lucrative sector,” Mr. Giesbrecht says.

A child care centre at Seneca College’s King Campus, in King City, Ont., that served more than 50 children of faculty, students and parents from the nearby community closed permanently in August.

“It was basically the financial implications that were associated with the pandemic,” says Fran Defilippis, manager of the centre that first opened in the early 1970s.

While child care advocates are hopeful that the pledge in the Throne Speech will finally make affordable child care a reality, it is little comfort to families that are now scrambling because centres have closed.

Region: Canada ^[3]

Tags: cost ^[4]

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<https://childcarecanada.org/taxonomy/term/7864> [4] <https://childcarecanada.org/category/tags/cost> [5] <https://childcarecanada.org/category/tags/closure>

[6] <https://childcarecanada.org/category/tags/funding>