

# How big will the expansion of child care services need to be in Ontario? <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

The federal budget puts forward very substantial amounts of money for early learning and child care – \$30 Billion over 5 years, or more importantly \$8.3 Billion of new federal money in perpetuity from 2025-26 onwards. The federal template calls for a cut of 50% in parent fees by the end of 2022, and an average fee of \$10 a day for children 0-5 years of age across Canada (outside Quebec) by 2025-26.

How much more child care capacity will Ontario need? It's an important question. Ontario will need to plan a very rapid expansion of capacity, but do it wisely so that the new child care capacity offers good quality services and is created where it is most needed.

The bottom-line conclusion from the rough calculation below is that when we lower parent fees dramatically in Ontario, we will have a very substantial number of children wanting to use licensed child care. We are likely to need about 150,000 new spaces if parent fees are cut by 50% and we will need about 250,000 spaces if parent fees are reduced to \$10 a day (similar to Quebec).

Table 1 gives the numbers. It tells us how many children in each of the traditional age groupings (infant, toddler, preschool and kindergarten) there are in Ontario. It tells us the estimated number of centre-based plus home child care spaces currently available<sup>[1]</sup>. It tells us how many spaces would be needed in each of these age groupings in Ontario if our child care take-up rates were the same as those in Quebec. In the next column, we show a rough calculation of how many licensed spaces would be needed if parent fees are cut by 50% (this is supposed to happen by the end of 2022). The final column shows us, for reference, how many children in Ontario currently have mothers in the labour force (and might therefore switch into licensed child care from some other arrangement).

We are likely to need about 150,000 new spaces if parent fees are cut by 50% and we will need about 250,000 spaces if parent fees are reduced to \$10 a day. This calculation ignores any increase in the use of school aged child care for children in Grade 1 and above (which we should expect). It also ignores any decisions by parents to use infant care in order to get around waiting lists for services for older children.

If we take the rough estimates of demand when parent fees are cut by 50%, these imply that we will need nearly 10,000 more infant spaces, 33,000 more toddler spaces, 36,000 more preschool spaces and 73,000 additional kindergarten spaces by the end of 2022 to avoid facing shortages of child care supply.

The shortage of trained ECEs will be a very significant constraint on expansion as well. Already there are substantial shortages of Registered Early Childhood Educators. For a very rough calculation, we might assume (based on calculations in Appendix B of Affordable for All: Making Licensed Child Care Affordable in Ontario) that one new staff member will be needed for every four children in 0-5 year old licensed child care and, varying across ages, about half of these will need to be RECEs. If this were true, Ontario would need about 18,750 new ECEs by the end of 2022 and a total of about 31,250 new ECEs by 2025-26. And this does not account for additional centre supervisors needed.

These calculations have lots of potential policy implications. One is that capital expansion has to proceed very quickly. A second is that the expansion of the trained workforce cannot wait. A third is that there will be excess demand at certain times, so we need to consider how waiting lists and other ways of managing this demand will work. I will explore these and other implications soon.

[1] Currently available means 2019-20 which is before the pandemic. Hopefully, most of these spaces will reopen after the pandemic, but this is uncertain.

**Region:** Ontario <sup>[3]</sup>

**Tags:** federal budget <sup>[4]</sup>

spaces <sup>[5]</sup>

workforce <sup>[6]</sup>

## Links

[1] <https://childcarecanada.org/documents/research-policy-practice/21/05/how-big-will-expansion-child-care-services-need-be-ontario> [2] <https://childcarepolicy.net/how-big-will-the-expansion-of-child-care-services-need-to-be-in-ontario/> [3] <https://childcarecanada.org/taxonomy/term/7856> [4] <https://childcarecanada.org/category/tags/federal-budget> [5] <https://childcarecanada.org/category/tags/spaces> [6] <https://childcarecanada.org/category/tags/workforce>