

\$10-a-day child care would move GTA families closer to a thriving wage ^[1]

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Source: Wellesley Institute

Format: Article

Publication Date: 6 Jan 2022

AVAILABILITY

Access online ^[2]

EXCERPTS

Affordable child care is crucial for the health and well-being of families. Wellesley Institute's Thriving in the City for families: A framework for income and health report, which identifies the goods, resources, and services a Greater Toronto Area (GTA) family with young children needs to live a healthy life, found that the cost of child care for a family with two parents (25-49 years old), one preschool-age child (2.5-5 years old), and one school-age child (6-12 years old) was \$18,267 per year on average.

This estimate is based on daily rates of licensed, non-profit, centre-based child care in the GTA. However, it is important to note that the insufficient number of licensed, non-profit child care spaces means that many families pay even higher fees – while others may not have access to licensed child care spaces at all.

The cost of child care makes up a significant portion of families' cost of living, behind shelter and savings and debt. Based on estimates for those and other categories, including food and nutrition, transportation, and health and personal care, Wellesley Institute estimates that families in the GTA need to earn between \$103,032 and \$136,428 annually. Currently, close to half of families living in the GTA are not financially able to have a thriving life.

In the 2021 federal budget, the government proposed an ambitious plan to address Early Learning and Child Care (ELCC) across Canada. The current state of child care is characterized by high parent fees, low staff wages, and insufficient regulated spaces. The proposed investment of \$30 billion over five years committed to collaborating with provinces, territories, and Indigenous communities to provide high-quality, affordable and accessible ELCC programs and services across the country.

Two major cost-related objectives outlined in the plan are: (1) an initial 50 per cent reduction in average parent fees for regulated child care spaces by the end of 2022 and (2) a further reduction of average parent fees for regulated child care spaces to \$10 a day in five years. Achieving both would be a significant feat, as the need for complex negotiations with provincial and territorial governments to bring about transformational social policy change has historically resulted in slow and uneven implementation.

However, this time around, things may be different. Decades of work by child care advocates coupled with a pandemic that has highlighted the vital need for access to child care and a government committed to advancing gender equality, have led to renewed hope that an affordable and inclusive child care system is not only achievable, but near.

Along with the promise of \$10-a-day child care by 2026, other commitments include creating at least 30,000 new regulated spaces for children under six by 2025/26, and at least 40,000 new regulated spaces by 2027/28, developing a wage grid for ECEs, enhancing access for vulnerable children and those from diverse populations, and developing a collaborative plan with relevant First Nations and Metis Nations organizations to ensure that Indigenous children can access quality, affordable, and culturally appropriate care.

On July 8, 2021, British Columbia became the first province to sign a bilateral ELCC agreement with the federal government.

The agreement was widely welcomed by child care advocates, although many have noted it is yet to be seen how the new funding will be distributed to achieve these commitments and what mechanisms will be used to reduce parent fees.

Since the B.C. deal, ten other provinces and territories have announced their own deals and begun releasing action plans.

Child care costs in the GTA are among the most unaffordable in the entire country, with rates varying based on region, type of service, and children's age group. A 2019 study by David Macdonald and Martha Friendly, surveyed child care fees in Canada's 28 biggest cities and found that cities in and around the GTA have among the highest fees for infants, toddlers, and preschoolers. Median fees for infant care in Toronto are the highest of any city, amounting to \$20,220 per year, with Mississauga close behind at \$17,880 per year. Toronto also tops the list for preschool care, at \$13,800 per year.

Analysis by the Canadian Centre for Policy Alternatives (CCPA) found that if Ontario meets the fee reduction targets set out in the national plan, families with infants would save around \$10,000 per child by 2022 and almost \$20,000 per child by 2026. For those living in

Toronto, the savings would be even greater, with families saving up to \$11,200 annually if fees are reduced by 50 per cent by the end of 2022.

For a family with one preschool-age child, Wellesley Institute estimated an annual child care cost of \$11,700 presuming a daily fee of \$45 for 260 days of care. With a \$10-a-day child care space, that cost would be reduced to \$2,600 and would save GTA families approximately \$9,100 per year. These savings would significantly lessen the burden of child care costs and allow families to move closer to the thriving wage.

Investment into a Canada-wide child care system – if properly done – would do more than just improve child care affordability across the province. Research shows that increasing the quantity of quality child care would reduce the child care barrier to employment for caregiving parents (mainly mothers), encourage social and economic recovery, and improve the ability to thrive of the child care workforce – which is mostly made up of racialized workers, women, and immigrant workers.

Enhancing Ontario's child care system highlights one method by which policy makers can work towards ensuring everyone in the GTA can thrive – reducing the costs of expenses needed to thrive. Achieving the ambitious (but necessary) goal of thriving for all requires multi-faceted actions including reducing costs (such as in this proposal), wages and good jobs, improvements in social infrastructure, and civic participation.

As Wellesley Institute has already highlighted both levels of government must ensure that all low-income families can access free or truly affordable, high-quality child care as soon as possible – those who need help the most must get it first – and standards for child care must ensure that low-income, Black, Indigenous and other racialized families are able to access care of excellent quality, equal to what high-income families can buy.

With the majority of Canada on track towards \$10-a-day child care, Ontario should immediately prioritize families and focus on implementing a federally supported child care strategy as equitably and quickly as possible. This opportunity for progress towards an environment in which families can thrive has waited too long already.

Region: Ontario ^[3]

Tags: affordability ^[4]

Canada-wide agreements ^[5]

living wage ^[6]

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