

Lower daycare fees may remain years away for many parents, despite government promises ^[1]

Author: Alini, Erica

Source: Globe and Mail

Format: Article

Publication Date: 22 Mar 2022

AVAILABILITY

Access online ^[2]

EXCERPTS

For Maria Rodriguez, 28, the federal government's push for universal \$10-a-day child care has been the difference between struggling to pay the bills and knowing she can now reliably make the rent.

A Winnipeg-based single mother of three who works full time as an office administrator, Ms. Rodriguez used to pay more than \$500 a month in subsidized child-care fees. Even with the government of Manitoba pitching in for some of the cost, the expense would often leave her scrambling at the end of the month, she said.

That's because child-care fees come out of Ms. Rodriguez's bank account through mandatory preauthorized debit every four weeks. Rent, on the other hand, is due monthly. Because a month isn't exactly four weeks long, sometimes Ms. Rodriguez finds herself paying for child care twice in a single monthly cycle, something that, in the past, often meant that she would be late paying rent or receive a non-sufficient-funds notice about the child-care charge to her bank account.

That routine budgeting nightmare finally ended in January, when Ms. Rodriguez saw her child-care costs shrink to a much more manageable \$120 a month after Manitoba drastically bolstered its child-care subsidy as part of its plan to achieve \$10-a-day average child-care fees.

"It was huge," Ms. Rodriguez said, speaking of the impact the subsidy bump.

But as provincial and territorial governments begin to lay the foundations for the federal government's child-care plan, Ms. Rodriguez's experience is far from universal.

Ottawa's aim is to drive down the cost of child care in regulated spaces for children under the age of 6. But the uneven pace of the federal plan rollout across the country and severe shortages of child-care spaces and staff mean many families are wondering whether they will be able to access subsidized care while their kids are young enough to be eligible for it.

"If you're already using child care and you happen to be in the jurisdictions where they have moved fast to lower fees, you kind of won the lottery," said Kerry McCuaig, a fellow in early childhood policy at the University of Toronto's Ontario Institute for Studies in Education.

So far, though, many parents aren't on the winners' list. British Columbia, for example, has pledged it will drive average fees down to \$20 a day for full-time child care but set itself a deadline of the end of 2022 to achieve that. And Ontario, Canada's most populous province, still hasn't penned a child-care deal with the Trudeau government, the only jurisdiction not to have done so.

Even in provinces that have already cut fees, accessing subsidized care remains an issue.

In Portugal Cove, N.L., for example, Krista Coady, 35, said she was recently told her now-two-year-old will likely have to wait until he's 4 before a spot frees up in a licensed child-care centre where he's already been on the waiting list for roughly a year and a half. By then, Ms. Coady noted, her child will be old enough to attend kindergarten, which is offered as a full-day program in public schools throughout the province.

When Ms. Coady recently inquired with two other centres about a spot for her son, she was told he would likely be on a waiting list for 2.5 years.

Newfoundland and Labrador has cut fees to \$15 a day and significantly raised the income ceiling for accessing its full child-care subsidy. But the reduced costs and financial aid only apply to regulated child-care services.

For now Ms. Coady and her fiancé, who both work full time, are paying \$40 a day, or more than \$800 a month, to keep their son in an unlicensed home daycare. Access to a regulated centre would cut their fees by \$500 a month, savings that would help soften the financial hit from soaring gas and food costs, Ms. Coady said.

Longer-than-usual waiting lists are, in part, a product of the pandemic. Shutdowns, lower children's enrolments, as well as the struggle and

health risks of caring for young unvaccinated pupils, have resulted in some child-care centres closing or downsizing and scores of early-childhood educators (ECEs) leaving the sector, exacerbating pre-existing shortages, Ms. McCuaig said.

But the shortages are likely becoming even more acute as the fee reductions result in greater demand for child care from parents, she warns.

In Ontario, where Premier Doug Ford is inching closer to an agreement with the Trudeau government, parents are already signing their kids up for child care in anticipation of lower fees, said Kim Hiscott, executive director of Ottawa-based Andrew Fleck Children's Services.

"We definitely are encouraging families to put their name on the waiting list as soon as they anticipate that they might need child care," Ms. Hiscott said, adding that waiting lists, which were already long in the province before the pandemic, are now likely to stretch out even more.

While encouraging more parents – and especially mothers – to join the work force is, in part, the goal of building a nationwide affordable child-care plan, in the short term a surge in child-care registrations risks aggravating the mismatch between demand and supply that already exists in the sector, child-care advocates say.

The risk of a widening demand-supply gap reflects the challenges of building a universal affordable child-care system, according to Ms. McCuaig.

Under the new federal child-care framework, provinces and territories must cut average fees in half for regulated centres by the end of 2022 and bring costs down to \$10 a day on average for kids under six years old by 2026. But lowering fees is the easy part, Ms. McCuaig said.

"It's just a matter of replacing money that parents are now paying with public money," she said. Ottawa is providing \$30-billion for the plan and more than doubling child-care transfer payments to provinces and territories over five years.

The second and much trickier benchmark provinces and territories must meet is dramatically expanding child-care capacity. Ottawa's vision requires creating around 146,000 new child-care spots by 2026, according to estimates by the Canadian Child Care Federation.

That increase in capacity requires time. Building a new group child-care centre, for example, usually takes between one and two years in Ontario even after plans are finalized and funding is secured, according to Ms. Hiscott.

Increasing the number of licensed home daycares is a faster way to boost capacity, Ms. Hiscott said. But adding spaces in home daycares – just as it does in group-care settings – requires finding more people willing to work in the sector, Ms. Hiscott added.

And yet, increasing pay and supports for child-care workers isn't a condition that provinces and territories have to satisfy to receive federal money, Ms. McCuaig said.

With much of the funding taken up by lowering fees and adding capacity, in general "the work force is getting the leftovers rather than being seen as an essential priority," she said.

The problem is on full display in Alberta, according to Naida Meghji, an Edmonton-based child-care advocate. The province has lost 5,000 child-care workers since 2019 but wants to add 42,500 spots with no clear plan for how to attract new qualified hires, she added.

"So far there's been no plans for compensation, wage floors, grids and training for early childhood educators," she said. "And that actually affects the quality of consistent care that children are going to receive in this province."

Across Canada, average pay for ECEs often starts at just a few notches above the provincial or territorial minimum wage. In Alberta, ECEs with the lowest certification level earn just over \$18 an hour on average including a provincial wage top-up, according to the Association of Early Childhood Educators of Alberta. That's only around \$3 an hour more than the province's minimum wage.

In Manitoba, Ms. Rodriguez, who has struggled to find child-care spaces after each of her maternity leaves, said she's grateful all three of her kids are in licensed care now.

"I'm thankful I don't have that worry right now," she said.

Region: Canada ^[3]

Tags: affordable child care ^[4]

parent fees ^[5]

national child care system^[6]

Source URL (modified on 23 Mar 2022): <https://childcarecanada.org/documents/child-care-news/22/03/lower-daycare-fees-may-remain-years-away-many-parents-despite>

Links

[1] <https://childcarecanada.org/documents/child-care-news/22/03/lower-daycare-fees-may-remain-years-away-many-parents-despite> ^[2]

<https://www.theglobeandmail.com/investing/personal-finance/household-finances/article-lower-daycare-fees-may-remain-years-away-for-many-parents-despite/> ^[3] <https://childcarecanada.org/taxonomy/term/7864> ^[4] <https://childcarecanada.org/category/tags/affordable-child-care> ^[5]

<https://childcarecanada.org/category/tags/parent-fees> ^[6] <https://childcarecanada.org/category/tags/national-child-care-system>