

# Calgary daycare fees for preschoolers likely most expensive in Canada for 2022, report says <sup>[1]</sup>

Province signed deal with feds to reduce fees to average of \$10 a day by 2026

**Author:** von Scheel, Elise

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## AVAILABILITY

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## EXCERPTS

Calgary is expected to surpass Toronto for the title of most costly daycare in the country for preschoolers, according to a new report from the Canadian Centre for Policy Alternatives.

The think tank, which describes itself as independent and non-partisan, studied the projected fee reductions that are coming in 2022 from the federal-provincial deals to drop the cost of child care in Canada to an average of \$10 a day by 2026.

That agreement included cutting fees by an average of 50 per cent by the end of 2022. Tuesday's report estimates many Canadian cities won't hit that benchmark — and places like Calgary are well off the target. But Alberta's government says it's on track to reduce average fees in the province in line with that goal.

For preschool-aged children, Calgary is projected to have the highest median fees in the country — around \$700 after reductions, compared to \$537 if fees were cut by 50 per cent. That age group is the largest demographic in child care.

"Calgary is projected to take the crown of being the most expensive place in the country after all these fee reductions are put in place at the end of 2022," said David Macdonald, a senior economist at the policy centre who co-authored the report.

Eight cities will miss the fee reduction target for toddler care by at least \$100 per month. Calgary will miss it by more than \$200, according to the report. After planned reductions, Calgary is anticipated to have the second highest fees for that age group in the country just behind Toronto.

The report is the latest in a series of research conducted on child-care fees by the group, with data collected from providers.

### Alberta model more costly

Alberta has opted to use a mixed-fee reduction model that includes altering the subsidy program and giving affordability grants to providers. Macdonald says that approach is part of the reason the fees are at this current level.

The province changed its subsidy system in 2021 to between \$106 and \$266 for kids up to kindergarten age, based on household income so long as it's less than \$180,000.

Licensed centres in Alberta receive grants of \$450 to \$635 per full-time daycare space, varying by the age of the children.

"We are absolutely on track with reducing parents' fees, making sure that they are saving an average of 50 per cent on child-care fees in every single licensed space in the province," Rebecca Schulz, Alberta's minister of children's services, told CBC News.

Fees for Alberta families are an average of around \$22 per day right now for parents not receiving subsidies and closer to \$10 per day for those who are, she explained.

Schulz says the government will remain flexible on any tweaks to the model that might be needed.

"This will look different every year as we move through addressing different needs in different areas of the province and looking at the data that comes in each and every year. We've already said these amounts are not going to likely stay at this level."

### Alberta NDP calls for more funding

Alberta's Opposition NDP has previously called for the UCP government to inject another \$200 million into child-care staffing to help meet the federal targets.

"The provinces are going to get to these federal targets. I think what we're going to see in the future, particularly in the next year, is once parents realize how much fees have come down, how much more affordable child care is today than it was a year ago, that there's going to

be a lot of demand for child care," Macdonald said.

"Now, the challenge, of course, is that those spaces have to be there."

Alberta plans to add at least 42,500 licensed child-care spaces in the next five years. There are about 147,000 currently in operation.

The province's child-care program deal with the federal government will have \$3.8 billion invested over five years.

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