

Private equity is embracing child care as investors look for profit. Here are the big players in Canada. ^[1]

Average profit margins have reached between 15% and 20% in the U.S. Those rates won't last, but for now, kids R cash, Armine Yalnizyan writes.

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AVAILABILITY

Access online via Toronto Star [limited access] ^[2]

Excerpt

It's a pretty basic business question: How do you make profit from raising young children? A growing number of investors are asking exactly that question, and it seems they've found the answer.

Historically the answer depended on client-base affluence. Now, it's mostly about whether these operations are part of a chain.

These days, the child-care chains delivering the biggest returns to investors are created by private equity, an opaque form of for-profit enterprise that boasts remarkable returns to investors in short time periods. Assets are typically bought and sold in five to seven years.

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Read the full column here. ^[2]

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