

Measuring Matters

Assessing Canada's progress toward
\$10-a-day child care for all

David Macdonald and Martha Friendly





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ISBN 978-1-77125-660-5

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ACKNOWLEDGMENTS

The authors would like to thank this year's phone surveyors: Milguo Abdidjama, Hailey Johnston, Elizabeth Peprah-Asare and Xavier Smith-Sharp. They would also like to thank the reviewers for their helpful advice on an earlier draft of this paper: Lynell Anderson, Morna Ballantyne, Jane Beach, Iglia Ivanova and Susan Prentice.

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Executive summary

THE 2021 FEDERAL budget laid out its historic vision of a universal, publicly funded child care system “for all” based on five principles: affordability, accessibility, quality, flexibility and inclusivity. As part of the Canada-Wide Early Learning and Child Care (CWELCC) agreement, each province and territory agreed to reduce parent fees by 50 per cent, on average, by December 2022, and further lower fees to an average of \$10 a day by 2025-26. The Canadian Centre for Policy Alternatives’ (CCPA) annual child care fee survey, which conducts 11,000 telephone calls and has been publishing median fee data each year since 2014, allows progress toward meeting CWELCC’s goals on affordability to be measured, analyzed and assessed.

This report assesses progress in achieving the affordability goals for full-time, licensed centres and regulated family child care for infants, toddlers and preschool-aged children up to the beginning of kindergarten. The report examines child care fees in 37 cities together with other variables in several ways including how fees have changed since CWELCC was introduced. It makes four recommendations based on the research.

Did fee reductions by city and age group meet the federal targets?

Overall, the findings related to child care fees by city and age group show that Canada is making solid progress in offering more affordable child care.

Of 32 cities in jurisdictions agreeing to the federal target of reducing fees by 50 per cent, more than half (18) achieved the target. Between one-fifth and one-quarter of the 32 cities, depending on the age group, reduced child care fees by between 40 per cent to 47 per cent—close to target. The remaining 13 per cent to 25 per cent of the cities, depending on the age group, missed the federal reduction target by a bigger margin. Five jurisdictions have already reached the 2025-26 target of \$10 a day (including Quebec, which has exceeded the \$10-a-day target for 30 years).

By age group, median infant child care fees (usually under 18 months of age) are most expensive in Richmond, B.C. and Toronto, at just over \$900 a month, with Markham, Ontario coming in as the third most expensive city, at \$818 a month. Quebec cities' infant fees continue to be the most affordable, at \$192 a month, but St. John's, Winnipeg, Saskatoon, Regina and Iqaluit are now close to this. These cities all now have provincially/territorially set fees of \$10 a day, or \$217 a month for an infant. These represent substantial reductions since 2019, particularly for Iqaluit, where median infant fees were \$1,300 a month in 2019.

For the toddler age group, which is generally 18 months to three years of age, depending on the jurisdiction, Richmond, B.C. is the most expensive city for toddlers, with median fees of \$905 a month. This is down, however, from a \$1,200-a-month median fee in 2019. Calgary is second most expensive for toddlers, at \$838 a month (down from \$1,100), and Toronto is now third, at \$725 a month (\$1,578 a month in 2020). Quebec cities remain the most affordable in Canada, at \$192 a month for toddlers. St. John's, Winnipeg, Saskatoon, Regina and Iqaluit are the next most affordable cities, with median toddler fees of \$217 a month, or \$10 a day. This represents substantial reductions from 2019, particularly in Iqaluit, where toddler fees were \$1,213 a month in 2019.

The preschool-age group has the most spaces, typically encompassing children aged 30 months to five years, depending on the jurisdiction. Calgary is the most expensive city, at \$810 a month, down from \$1,075 a month in 2019. Richmond, B.C.'s second highest fees were \$800 a month, down from \$955. Oakville, Vaughan, Toronto, Burnaby and Surrey have similar fees, over \$600 a month, down from approximately \$1,200 a month in 2020. Quebec cities are again the most affordable, with median preschool-age fees of \$192 a month. St. John's, Winnipeg, Saskatoon, Regina and Iqaluit were next, with median fees of \$217 a month for preschool-aged children, or \$10 a day. This represents a substantial drop in all these cities compared to 2019, most so for Iqaluit, where preschool-age fees were \$1,213 a month in 2019.

Fee reduction outcomes by province and territory, at a glance

Newfoundland and Labrador: At the end of 2022, Newfoundland and Labrador's set fees for all groups fell to \$10 a day, reaching the 2025 target three years early, with a proportional reduction in fees well over the 50 per cent target. The reduction is larger for infants, as the set fees in this age category were higher in 2019.

Nova Scotia: Nova Scotia is reducing market fees by a set dollar amount of \$23 a day for infants and \$18.25 a day for toddlers and preschool-agers. In Halifax, the reduction allows preschool-age fees to reach the 50 per cent reduction target, but toddler fees in Halifax don't quite reach a 50 per cent reduction. For infants, the \$23 a day reduction only brings infant fees close to the 50 per cent target.

P.E.I.: By December 2022, all age groups' fees had been reduced to \$20 a day. Infant fees proportionally had the largest reduction, close to, but not achieving, the 50 per cent target. Toddlers and preschool-age fees were also reduced but do not meet the target.

New Brunswick: New Brunswick's picture is mixed, with fees dropping but not quite reaching the federal target, except for infants and toddlers in Saint John. In 2022, the province moved from market fees to set fees, with a \$21 a day fee for infants and \$18 a day for the toddler/preschool-age group (aged two to four) in large urban communities, and slightly less outside of them. These set fees were close to, but not quite enough, to reduce fees to half of their 2019 value in Fredericton and Moncton.

Quebec: The median fees in Quebec cities are the only fees that increased since 2019. Quebec's 2019 fees were already below the \$10 a day target at \$8.25 a day and Quebec's inflation-adjusted set fees are \$8.85 a day for all age groups in 2023. Therefore, while median fees are seven per cent higher than 2019's, they are still the lowest fees Canada-wide in 2023.

Ontario: Ontario's fee reduction of 52.75 per cent was based on centre and family child care fees on March 31, 2022. Overall, most Ontario cities achieved the federal 50 per cent fee reduction target in most age groups. Hamilton didn't quite reach the federal targets due to previous fee reductions and there were near-misses of the 50 per cent target in some of the wealthier Toronto suburbs—Oakville, Vaughan and Markham. Although Ontario cities mostly managed to reach the 50 per cent reduction target, these were higher-fee cities pre-CWELCC. Nevertheless, median fees in Ontario are much lower than they were in 2020.

Manitoba: Winnipeg’s toddler/preschool-age fees met the 50 per cent reduction target and their infant fees far exceeded it compared to median fees in 2019. In 2023, Manitoba moved to a maximum fee of \$10 a day fees for all ages, immediately reaching the federal goal of \$10 a day three years early.

Saskatchewan: In Saskatoon and Regina, the fees fell by much more than the federal target of 50 per cent—between 65 per cent and 78 per cent, depending on the age group. In 2022, Saskatchewan moved to a set maximum fee of \$10 a day fee for all age groups, reaching the long-term goal three years early.

Alberta: Although 2023 median fees were lower than in 2019, Alberta cities mostly fell short of the federal targets. Edmonton’s infant fees were reduced by 48 per cent and Lethbridge’s by 45 per cent. Several high-fee Calgary centres did not participate in the CWELCC program, putting upward pressure on the median despite the fee reductions. As well, the \$25-a-day program was cancelled after 2019, which made achieving the federal target more difficult.

B.C.: Vancouver has had substantial expansion of its \$10 a day set-fee spaces since 2019, now making up a third of spaces. That expansion, combined with the flat-dollar fee reduction for other centres, reduced median fees in all age groups by 44 per cent, just missing the federal target. The expansion of \$10-a-day spaces was much more limited in Richmond, Burnaby, Surrey and Kelowna. Kelowna was close to the target in its under-three category, but the other three cities fell far short of the 50 per cent target across all age categories.

Yukon: Yukon introduced the Yukon universal child care program (a set-dollar reduction to market fees) shortly before the 2021 federal announcement of CWELCC, allowing Whitehorse parents to benefit from fee reduction a year earlier than other provinces/territories. CWELCC funds are now helping cover the cost of this territorial initiative.

Northwest Territories: The Northwest Territories maintains a market fee system, with a 60 per cent reduction in fees as of April 2023. This is a similar system to a percentage reduction as in Ontario, but the Northwest Territories’ reduction has a dollar cap limiting support to higher-fee centres. It was sufficient to achieve or exceed the 50 per cent target in Yellowknife for all age groups.

Nunavut: Nunavut moved, ahead of schedule, to \$10-a-day fees at the end of 2022. In 2019, the territory’s median preschool-aged fees in Iqaluit were the highest in the country. The move to \$10-a-day set fees resulted in an 82 per cent drop in fees, the largest reduction in any city in Canada.

How have fee reductions been achieved?

The provinces and territories have made their fee reductions in several ways. Seven of 13 jurisdictions now have set fees (Newfoundland and Labrador, P.E.I., New Brunswick, Quebec, Manitoba, Saskatchewan and Nunavut). Additionally, British Columbia is expanding its \$10-a-day spaces, although they still make up under half of spaces. Six jurisdictions use market fees, reducing them either by a flat dollar amount or a percentage (Nova Scotia, Ontario, Alberta, British Columbia, Yukon and Northwest territories). P.E.I. and Alberta are also including modifications to their fee subsidy systems towards their 50 per cent fee reduction.

Does the fee reduction mechanism have an impact on the distribution?

This report summarizes fees in a city by using the median. However, there can be substantial variation around the median in market-fee cities. By contrast, in cities with a set fee, parents already know what the fee is going to be, leading to administrative simplicity, predictability for parents, ease of monitoring.

In Richmond and Toronto, the fees vary substantially from the median, leading to vastly different amounts paid by parents, even after CWELCC fee reductions. Even if the city median may have fallen by 50 per cent, individual parents may see their fees fall by much less than or more than that amount. In contrast, Hamilton has several large, multi-site non-profit centres and it shows little variance, with most parent fees close to the median.

The growing gap between not-for-profit and for-profit centres

The implementation of the CWELCC fee reductions has widened the gap between the higher average fees of for-profit operators compared to not-for-profits. Although the provinces and territories have generally agreed to the federal government's policy preference for expansion using public and non-profit child care centres, fee reduction and the associated operating funding apply equally to existing for-profit and non-profit centres.

The fee survey data has repeatedly shown higher-fee centres are also more likely to be for-profit. For-profit centres are less likely to participate in CWELCC

fee reduction programs, pushing up the average fee in the for-profit sector. This is particularly true in several high-priced cities with a preponderance of for-profit provision, such as Surrey, Burnaby and Richmond, B.C., as well as Richmond Hill and Markham, Ontario.

Do centres have excess enrolment capacity to meet new demand?

If the increased demand due to lower parent fees merely contributes to longer wait lists, the CWELCC promise of accessibility will be thwarted. In the 2023 survey, we asked if centres could enrol a new full-time child “in the next week” to gauge any excess capacity in the existing system. Of the 30 cities with data, half (14) had little to no spare capacity for an additional preschool-aged child. For infants and toddlers, little or no spare capacity was reported in 22 of the 30 cities. Even in cities with the most excess capacity, such as Edmonton, Richmond Hill, Windsor or Vaughan, only one-third of centres reported that they could accept a full-time child in the next week.

Recommendations

Drawing on data and analysis from the 2023, and from previous fee surveys, we put forward four recommendations.

1. We recommend rapidly moving to a set-fee model in all provinces and territories, then reducing those set fees to a maximum fee of \$10 a day by 2025-26 to make fees more transparent, efficient, administratively simple, and more equitable. This should also include geared-to-income mechanisms up to the maximum set fee, thereby replacing existing fee subsidy systems.
2. We recommend that concrete expansion strategies be developed in each province and territory to ensure that agreed-upon space targets for affordable public and non-profit child care are met.
3. Considering the widening gap between not-for-profit and for-profit fees, we recommend that expansion is exclusively public and non-profit, and that governments put in place clear public accountability to support this.

4. Public funding is replacing parent fees as the predominant source of revenue for child care programs. However, the operational funding models needed to create workable and high-quality early learning and child care systems are not yet in place. Funding to ensure improved compensation for the workforce must be part of new operational funding formulas.

Introduction

IF THE FEDERAL GOVERNMENT'S 2021 announcement of a Canada-wide plan to build a universal, affordable early learning and child care system marked a watershed, 2023 represents the emergence of new, post-watershed paths. This report, which uses 2023 data collected after the first federal fee-reduction target was implemented, is the first in the Canadian Centre for Policy Alternatives' series of annual Canada-wide parent fee surveys to assess the impact of Canada's new child care policy on the ground.

In its 2021 budget, the federal government announced the historic Canada-wide Early Learning and Child Care (CWELCC) initiative, including substantial multi-year funding to operationalize it.¹ Over the course of the following year, every province and territory came on board, agreeing to work collaboratively with the federal government to transform early learning and child care. Agreements with all jurisdictions were finalized by March 2022 and a first round of action plans were put in place following bilateral negotiations between the two levels of government.² CWELCC is a federal initiative but is based on Canadian constitutional roles and responsibilities for social programs and Canada's commitments under the *United Nations Declaration on the Rights of Indigenous Peoples*. Thus, provinces, territories and Indigenous governments are full partners in implementation of CWELCC.

Budget 2021 promised no less than a transformation of Canadian child care. It laid out the federal government's vision, motivations and commitment to put a universal system "for all" in place within the next five years based on five principles: affordability, accessibility, quality, flexibility and

inclusivity. These principles have been the basis of federal government child care policy since 2017 and have now been integrated into the first Canada-wide child care legislation to be passed by the House of Commons, Bill-35, *An Act Respecting Early Learning and Child Care in Canada*.

CWLCC's first focus has been on affordability, which was spelled out as a federal condition for funding to provinces and territories. To address fees that were out of the reach of most parents, each³ province and territory agreed to put in place at least a 50 per cent (average) parent fee reduction by the end of 2022, with further commitments to lower fees to an average of \$10 a day by 2025-26.

The focus on affordability was very significant, with both positive and negative implications. Importantly, governments replaced parent fee revenue with public funding, meaning that public funds became the main funding source for the day-to-day operation of child care services—a key element of child care transformation. Fee reduction had the very positive effect of addressing what has always been a major barrier to child care for many families—high parent fees—while also helping to eliminate the reliance on parent fee increases to make quality improvements. On the other hand, because shortages of qualified staff limits child care expansion goals, it became clear that the earmarked public funding is insufficient to cover both adequate increases to staff compensation and parent fee reduction. It also became evident that the approaches to parent fees and child care centre financing used to date by provinces and territories have not been designed to deliver structural transformation.

Since March 2022, as provincial and territorial governments have begun to roll out CWELCC developments Canada-wide, collecting and reporting child care data has become more important than ever. The availability of good data both for monitoring progress and for public accountability is important for two main reasons. First, much more substantial public funding is at stake with the introduction of billions of new public dollars for child care year after year. Second, the CWELCC initiative is the most important social policy development of the last few decades, so its success has significant political implications. Systematic collection and analysis are needed. This series of reports is unique in providing parent fee data year after year. With this in mind, the data and analysis in this report can play a key role in assessing progress toward meeting the targets and goals set out for building a child care system designed to be affordable and accessible for parents.

An overview of the annual fee survey

The CCPA annual fee survey is the sole Canada-wide data source of consistently, regularly collected and analyzed data on parent fees for regulated child care services. Beginning with the first survey in 2014, the CCPA has annually surveyed child care centres and regulated family child care providers in Canada's large cities to gather this data, tracking parent fees across Canada and over time. The survey was initiated to provide and analyze comparable, consistent data on the fees that parents are required to pay for licensed child care across Canada because this data was not available through other sources. Working from provincial/territorial lists of licensed child care programs, the CCPA has annually used a telephone survey to collect fee data from centres and regulated family child care providers in Canada's largest cities. One strength of the CCPA's fee surveys has been that the data have been collected using a consistent method, so year-to-year and province-to-province comparisons are possible.

The survey considers child care from the perspective of service providers and the fees they charge; it does not collect data on what parents pay out-of-pocket for child care. That is, it asks service providers what fees they charge rather than asking parents what they pay for child care. It does not take into account parent fee subsidies, tax credits or deductions that offset or replace fees for some parents.

In most years, a small number of additional questions and analyses of interest have been added to the survey. We have, for example, asked questions about centre wait lists, wait list fees, and questions about non-profit and for-profit ownership. As the number of provinces/territories using fees set by government (with some of the parent fee revenue replaced by operating funding to programs), have grown, the market fee child care services found in all jurisdictions (those not covered by the set provincial fee/territorial fee) have been separately analyzed. In 2015, a separate analysis was included to examine out-of-pocket fees that lower-income families eligible for fee subsidies are asked to pay on top of government subsidies.⁴ In 2017, service providers in Ontario and Alberta rural communities in Ontario and Alberta were surveyed to answer the question: "Are child care fees in rural communities lower than in larger cities?"⁵ Because expanding the supply of regulated child care has become a pressing issue on the child care policy agenda, in the 2023 survey we asked service providers a question designed to ascertain their capacity to expand: "Can you take an additional child in the next week?"

The number of cities included in our child care fee survey has increased since the first survey in 2014, which surveyed licensed child care in Canada’s 20 largest cities. In subsequent years, new large cities were added several times: 37 cities have been included since 2019. With the addition of territorial capitals Whitehorse, Yellowknife and Iqaluit, cities in every province and territory are now included.

One of the hallmarks of the annual fee survey is that it uses straightforward and consistent metrics. Through it, we have collected data on fees charged by centres and regulated family child care to parents “at the gate” to calculate median fees by city since the first survey in 2014. The analysis in the present report asks a straightforward question: Are 2023 median fees 50 per cent lower than the median fees in the CWELCC base year, by age group and by city?⁶

The survey includes data on fees in regulated child care for three age groups: infants, toddler and preschool-aged children in centres and regulated family child care. The analysis recognizes that provinces and territories use different definitions of age categories and that age groups are combined in several jurisdictions. Generally, infants are under 18 months or two years, toddlers are approximately 18 months to three-years-old and preschoolers are children aged three-, four-and sometimes five-years-old but not yet in kindergarten. The survey collects fee data only for full-day, full-time child care.

About this report

THIS REPORT IS structured in six sections, each of which examines a different aspect of child care fees and how they are changing in Canada in 2023.

The first section examines provincial/territorial approaches to reducing fees under CWELCC. There is considerable variation because provinces and territories started from very different places and the specific mechanisms designed by each province and territory varied. However, four general approaches emerge from the analysis.

The second section looks at 2023 median fees by city and compares them to the base year to show fees in 2019 (or 2020, in the case of Ontario) and parent fees in 2023 following fee reductions for infants, toddlers and preschool-age children. It should be noted that this year's annual fee survey was conducted in the spring of 2023, later than usual, to provide a full view of the parent fee reductions required by the end of December 2022.

The third section evaluates whether fees have actually been reduced by the 50 per cent federal goal between 2019 and the end of 2022 for each of the 32 cities and for each of the three age groups. Each city is individually examined to consider why it did or did not achieve the first CWELCC target.

Fourth, we examine the distribution of 2023 fees in several cities where reduced fees are based on their market-determined fee in 2022, which was then cut by a flat-dollar reduction to those fees. While this report utilizes the median as a measure of central tendency to summarize fees by city, we note that the median does not tell the full story. The analysis here shows that in cities with only market fees, there is substantial variance in fees around the

median. In contrast, cities in provinces or territories with set fees, even with the same median, parents will experience little or no variance.

The fifth section compares the growing fee differences between not-for-profit and for-profit service providers by city, and discusses why those gaps are growing.

The sixth section introduces a key linked child care issue now at the top of the CWELCC agenda: the intensified demand for regulated child care Canada-wide as parent fees have dropped. Using the responses to an ancillary question related to child care supply, as described in the previous section (“Could you take an additional child in the next week?”), it examines whether centres currently have surplus capacity.

Finally, the paper concludes with recommendations related to child care transformation based on knowledge gained from this post-fee reduction survey, as well as that gained through the repeated iterations of the annual fee survey.

The paper also contains a detailed appendix with information on the survey methodology, the results by city, additional data and provincial/territorial fee reduction details.

Methodology

THIS CHILD CARE fee survey has been conducted annually since 2014 using consistent methods.⁷ It is based on a phone survey of licensed child care providers conducted with more than 11,000 calls between March 14 and May 3, 2023. We aimed to collect accurate data for fees charged in 37 Canadian cities by using either a randomized sample or a census, depending on the number of local child care providers.

The survey in each city includes all licensed child care in centres and regulated family child care homes. It only includes licensed child care that is operated on a full-day, full-week basis and obtains fees for three age groups: infants, toddlers and preschool-aged children (it excludes before-and after-school programs or part-day nursery schools). Provinces and territories use different definitions of age categories and in several jurisdictions, age groups are combined. Broadly, infants are children under 18 months or two years, toddlers are 18-36 months old and preschool-age children are aged three-, four and sometimes five-years-old but are not yet in school, so they are still using full-time child care.

City-level fees are presented as medians unless otherwise stated. Median fees per city are weighted by the licensed capacity (spaces) of service providers. For example, fees in centres with more spaces count for more than fees in homes that have fewer spaces. Fees are quoted using various time frames by service providers but are standardized to a monthly basis in this report using 21.7 average days in a month.

In several cities surveyed there are provincially set fees that providers receiving provincial operating funding are not permitted to exceed. If providers aren't part of the set-fee system, then they don't receive the substantial operating funding and they can charge whatever the market will bear. For instance, in Quebec City, more than one third of centres aren't part of the \$8.85 a day set-fee system and charge a market fee. Therefore, market fees exist in Quebec City and they are included in the medians published, but since more than 50 per cent of the spaces in Quebec City (and other Quebec cities) are at the set fee, the median fee is the set fee. In cities where set fee spaces make up less than half of all spaces—for example, the \$10-a-day centres in British Columbia—the median fee is not the set fee, although increasing the number of \$10-a-day spaces will decrease the median fee, other things being equal.

As noted, the fees reported in the survey are the fees charged by the provider. These do not take into account income-based parent fee subsidies, for which a lower-income family may qualify. Nor do they take into account tax credits or deductions that a parent may be eligible to claim, considering child care prices or costs from the perspective of parents who would use their out-of-pocket fees and would take into account parent fee subsidies or tax deductions/credits. We note that it is our perspective that it is more useful and straightforward not to conflate these two conceptions of child care prices.

The first CWELCC fee reduction specified for all jurisdictions except Quebec, the 50 per cent (average) reduction, uses the base year of 2019 in every jurisdiction except Ontario, where 2020 is the base year. This means that fees in 2023 should be 50 per cent below the 2019 fees (2020 for Ontario). To assess this, this report uses the data from our 2019 (2020 for Ontario) surveys down to the city and age group level to evaluate whether the 50 per cent reduction was achieved or not. Note that in 2019 and 2020, some provinces/territories had in place fee reduction strategies pre-dating CWELCC; these were reflected in the median fees in those years. Also note that by the time the data was collected in the spring of 2023, several provinces/territories had further reduced their fees beyond the 50 per cent requirement, achieving the fees of \$10 a day in advance of the 2025-26 requirement. For additional information on methodology by city and response rates, please see the appendix.

Section 1: How are the provinces reducing fees?

THE CWELCC TARGETED a reduction in parent fees by 50 per cent (on average) for full-time child care by December 2022.⁸ In reaching for (and sometimes exceeding) this target, provinces and territories have taken very different approaches. To some extent, the fact that provinces and territories started with different child care policies prior to the new federal plan explains the differences in approaches. As well, in several instances, the approaches taken by jurisdictions have changed from what was originally proposed and described in our 2022 fee survey report. Thus, some of the information in Table 1 in this report is different from the summary table of approaches published last year.⁹ Also note that more specific dollar values for the various plans are available in Table 5 in the appendix.

As shown in Table 1, the most common approach to reaching the required 50 per cent reduction was to create or alter pre-existing provincially/territorially set fees. Before CWELCC, four provinces had set fees: Newfoundland and Labrador, P.E.I., Quebec, and Manitoba. With the introduction of CWELCC, three more created set fees: New Brunswick, Saskatchewan and Nunavut. An eighth province, B.C., has a growing number of sites with provincially set fees of \$10 a day but these sites are not the majority of spaces in any city.

TABLE 1 Approaches to reaching the federal fee reduction target

Province	Creating/reducing existing set fees	Reducing market fees by a flat dollar amount	Each provider reduces fees by a percentage value	A change in fee subsidy eligibility or value is included in the province's calculation of fee reduction†
Newfoundland and Labrador	●			
Nova Scotia		●		
Prince Edward Island	●			●
New Brunswick	●			
Ontario			●	
Manitoba	●			
Saskatchewan	●			
Alberta		●		●
British Columbia	●*	●		
Yukon		●		
Northwest Territories			●	
Nunavut	●			

Notes A more detailed table with values of reductions and fees is available in the appendix.

* British Columbia has significantly expanded its \$10 a day “prototype” spaces but they still represent a minority of spaces in all cities surveyed.

† Most other provinces also changed their low-income subsidy systems to take reduced fees into account but are not included in Table 1 because they are not being treated as part of achieving that jurisdiction’s 50 per cent reduction goal.

Source Bilateral agreements between the federal government and each province/territory and provincial policy documents.

As we discussed in our 2022 annual fee survey report, among the benefits of set fees is that they are administratively simpler for governments, more predictable for parents and easier for governments to monitor, so affordable fees can be much more clearly ensured.

The second most popular approach, used in four jurisdictions, is to provide a set dollar amount reduction to existing market fees. Nova Scotia, Alberta, British Columbia and the Yukon have taken this approach. As an example, Nova Scotia fees are reduced in centres by \$23 a day for infants and \$18.25 for toddlers and preschool age children (the reductions are smaller for licensed family settings).¹⁰ Thus, the underlying market fee needs to be known to determine if the \$23-a-day fee is enough to reach a 50 per cent reduction for infants. As these reductions are province-wide and fees vary by city, the \$23-a-day fee may be more than enough in rural areas and smaller towns but inadequate in big cities. Market fees can vary substantially, as shown in Section 5, so some parents are likely to benefit from more than a 50 per cent reduction in fees, and some parents won’t, even in the same city.

Ontario and the Northwest Territories required each centre and family child care provider to reduce fees by a percentage amount rather than by a flat dollar amount. Ontario's reduction was 52.75 per cent of the fees as they stood on March 31, 2022. The extra 2.75 per cent above the targeted 50 per cent is presumably to offset any fee increases between the base year of 2020 and March 2021. By April 1, 2023, the Northwest Territories reduced fees by 60 per cent.¹¹ A positive aspect of this approach is that it is more likely to reach the 50 per cent target than a flat dollar reduction, so all parents should receive the same percentage reduction, regardless of the fees they are paying. However, higher-fee centres—which data from multiple annual fee surveys indicate are more likely to be for-profit—can receive much more financial support than lower-fee centres. The Northwest Territories attempts to mitigate this with maximum funding amounts, but Ontario does not. Overall, this approach—like the set-dollar amount fee reduction—entrenches the disparities that the market fee system created, rather than transforming it.

Provinces taking a fourth approach have altered their income-based fee subsidy systems. Both provinces taking this route, P.E.I. and Alberta, have combined it with another fee reduction approach (using a set fee in the case of P.E.I. and using a flat-dollar amount reduction in the case of Alberta) to make up the full strategy. Most other provinces have also changed details of their income-based fee subsidy programs, but these two provinces are including subsidy changes as part of the 50 per cent reduction. Parent fee subsidies are not fee reductions “at the gate,” as this research is defining it, but contribute to helping individual parents pay their fees, reducing some parents' out-of-pocket cost.

Section 2: Child care fees by city in 2023

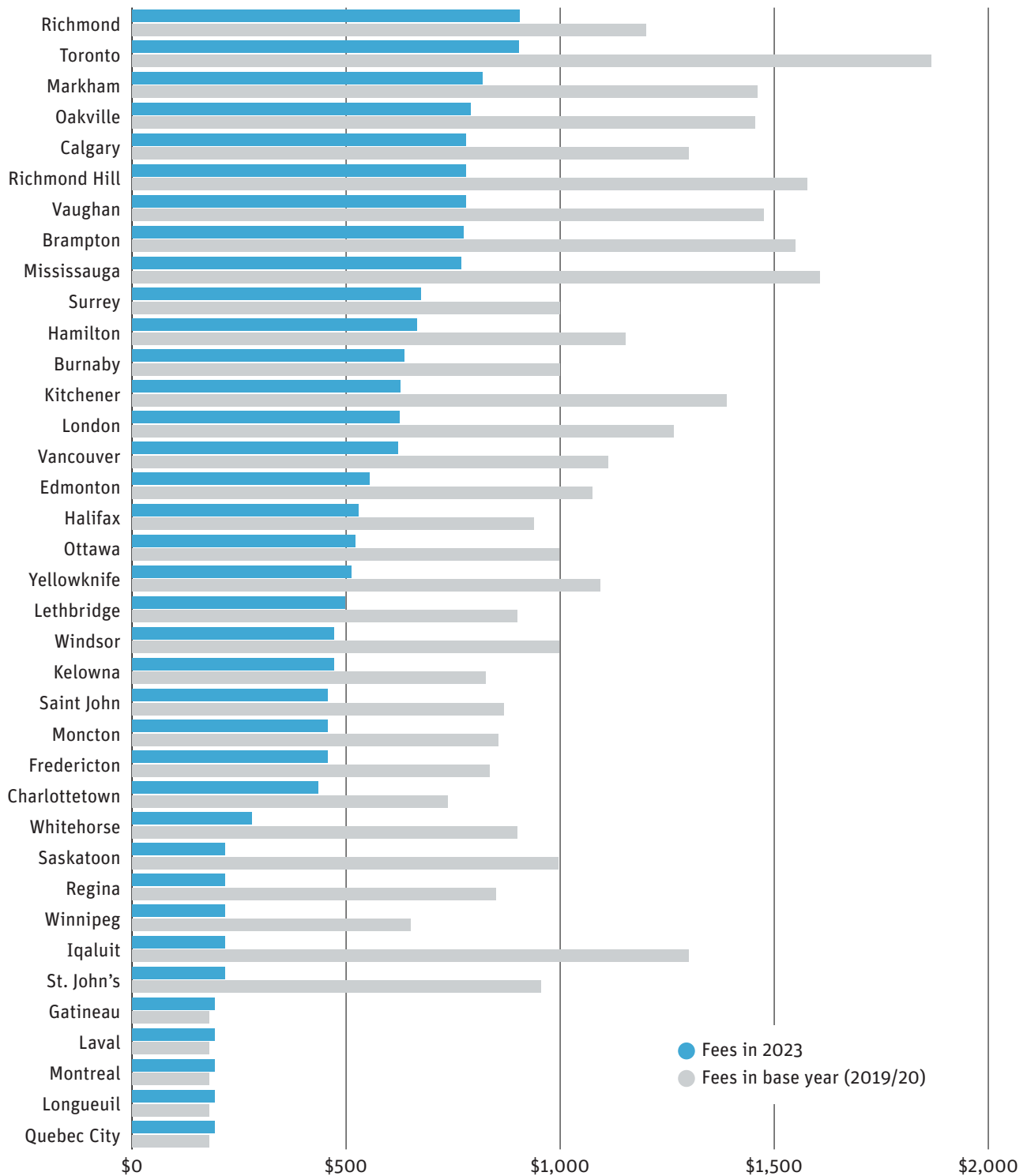
IN THIS SECTION, the median fees are presented for each age group and for each of the 37 cities surveyed both for 2023 and for the CWELCC base year of 2019 (2020 for Ontario cities). Medians presented in Section two include all licensed spaces in both family child care and centres. The fees presented separately in centres and family child care are available in Table 3 of the appendix.

Infant fees

Infants are typically children under two years of age, although the definition differs by jurisdiction. It is the youngest age group. Infant spaces are the least common space type by age and they remain the most expensive in most cities. In six jurisdictions (Newfoundland and Labrador, P.E.I., Quebec, Manitoba, Saskatchewan, Nunavut), set fees for infants are now the same as they are for the other age categories.

Infant spaces require a higher staff-to-child ratio, making them more expensive for centres to provide. In the case of family child care, fewer children can be cared for when infants are included. When fees are left to the

FIGURE 1 Infant median fees 2023 vs. 2019 (2020 in Ontario)



Note Base year is 2019 for all cities except Ontario where it is 2020. Includes both centre and licensed family spaces. Medians are weighted by spaces.
Source 2023 CCPA child care fee survey.

market, as they still are in Nova Scotia, Ontario, Alberta, British Columbia and the Yukon, the higher staff costs are reflected in higher fees, although fee reduction schemes may recognize that infant fees are higher and offset them. Despite often remaining more expensive than other age categories, infant fees have fallen substantially in every city outside Quebec since the base year for the CWELCC.

Including the CWELCC fee reductions, Richmond, B.C. and Toronto recorded the highest median fees, at just over \$900 a month. Service providers in B.C. cities such as Richmond generally charge a combined infant/toddler fee. Other things being equal, this combined fee should be slightly lower compared to infant fees elsewhere and slightly higher compared to toddler fees elsewhere. Despite that slight advantage, Richmond remained the most expensive city in the country for infants. In Toronto's case, fees have been cut in half from \$1,866 a month in 2020, before CWELCC began. Markham, Ontario is the third most expensive city, costing \$818 a month.

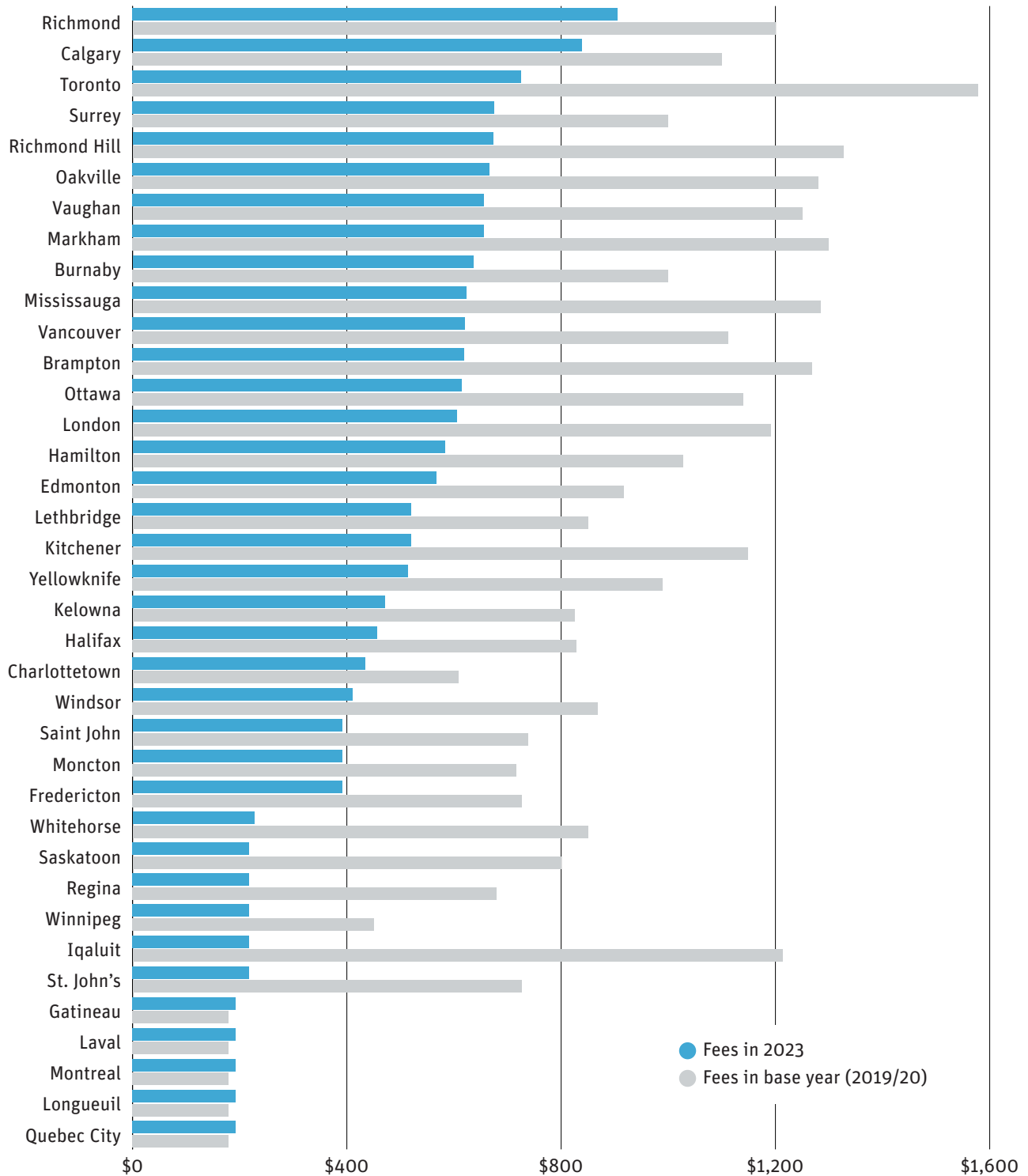
At the low end of the fee range for infants are the Quebec cities, at \$192 a month. Their fees have increased somewhat since 2019, when they were \$179 a month, because the provincial government indexes set fees annually to inflation. St. John's, Winnipeg, Saskatoon, Regina and Iqaluit all now have provincial and territorial set fees of \$10 a day, or \$217 a month for an infant. This represents a very substantial reduction from the 2019 fees, particularly for Iqaluit, where median infant fees were \$1,300 a month. The cities in set-fee jurisdictions are the least expensive. Set-fee cities had generally been the cheapest prior to CWELCC, but now many more cities have set fees, filling out the least expensive fee cities for parents.

The net result is that median infant fees have fallen substantially everywhere but Quebec, which already had had the lowest fees in the country. In 2023, the highest median infant fee was in Richmond, B.C., at \$905 a month. In contrast, in 2019, there were 23 cities (62 per cent) that were more expensive than that.

Toddler fees

This age group generally includes children aged one-and-a-half to three years, depending on the jurisdiction. Toddler spaces are more numerous than infant spaces and require fewer staff per child. As a result, they are less expensive to operate than infant spaces; in market fee systems, toddler fees are usually between higher infant fees and less costly preschool-age fees.

FIGURE 2 Median toddler fees 2023 vs. 2019 (or 2020)



Note Base year is 2019 for all cities except Ontario where it is 2020. Includes both centre and licensed family spaces. Medians are weighted by spaces.
Source 2023 CCPA child care fee survey.

Since six jurisdictions (Newfoundland and Labrador, P.E.I., Quebec, Saskatchewan, Manitoba, Nunavut) now have the same set fees for all age groups, their differences between toddler fees and other age groups have disappeared. Even in the post-CWELCC market fee systems, the offset for toddler spaces is larger than for preschool-age spaces, further reducing the fee gap between them compared to pre-CWELCC.

In the annual fee surveys, the most expensive city for child care for every age group has almost always been Toronto. Based on our 2023 data, this has changed: Richmond, B.C. is the most expensive city for toddler care, with median fees of \$905 a month. This is down, however, from Richmond's \$1,200 a month in 2019. The B.C. cities, like Richmond, are at a disadvantage in this comparison because they don't have separate infant and toddler groups with separate fees; service providers in B.C. group these two age groups together and usually charge the same fee. Other things being equal, this will make this combined fee slightly lower than infant fees elsewhere and slightly higher than toddler fees elsewhere. B.C. isn't the only jurisdiction that compresses standard infant, toddler and preschool-age groups. For a full comparison of age groups that are merged, see Table 3 in the appendix.

Calgary ranks second most expensive, at \$838 a month (down from \$1,100), and Toronto is now third, at \$725 a month (down from \$1,578 a month in 2020).

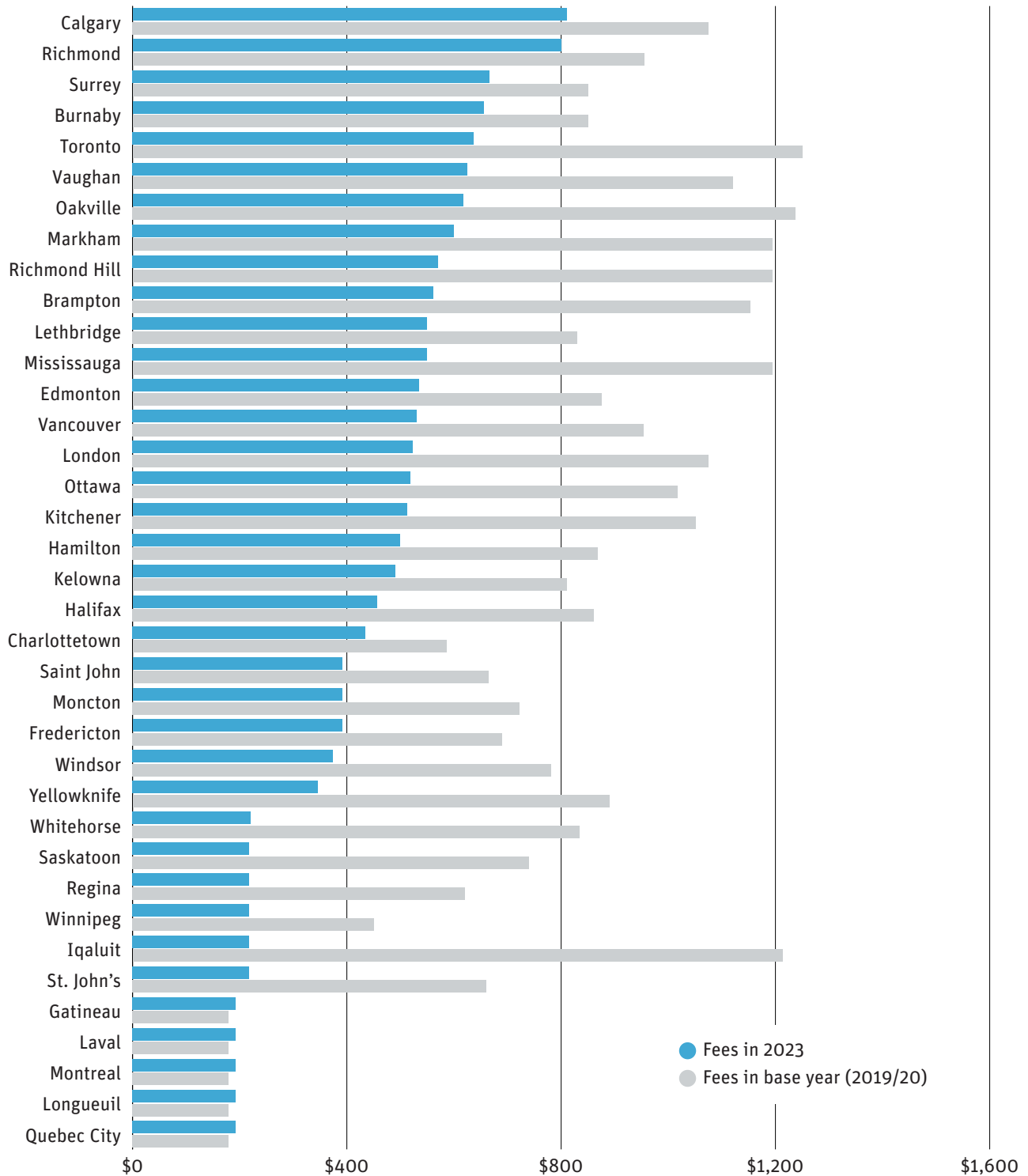
At the lower end of median fees, we find the Quebec cities, at \$192 a month for toddlers. These fees have risen slightly since 2019; as we have noted, the Quebec government indexes their set fees annually. The cities of St. John's, Winnipeg, Saskatoon, Regina and Iqaluit are next, with median toddler fees of \$217 a month for toddlers, or \$10 a day. This represents substantial reductions from where they were in 2019, particularly in Iqaluit, where toddler fees were \$1,213 a month in 2019.

Overall, the highest median toddler fee in 2023 was \$905 a month in Richmond, B.C. Only four years ago, 54 per cent (20) of the surveyed cities were more expensive than that.

Preschool-age fees

The preschool-age group typically encompasses children from two-and-a-half to five years, although the precise definition differs depending on the jurisdiction. These children are right before kindergarten entry, which may be at age four or age five in Canada, and this category comprises the largest

FIGURE 3 Median preschool-age fees 2023 vs. 2019 (2020)



Note Base year is 2019 for all cities except Ontario where it is 2020. Includes both centre and licensed family spaces. Medians are weighted by spaces.
Source 2023 CCPA child care fee survey.

group of spaces. Service providers need fewer staff per child, reducing their cost for operating this space type.

As a result, in market-fee systems, preschool-age spaces normally have the lowest fees. As with other age categories, however, almost half of the Canadian provinces and territories using set fees are now charging the same fee for all children who not yet in kindergarten, regardless of their age (Newfoundland and Labrador, P.E.I., Quebec, Manitoba, Saskatchewan and Nunavut).

The highest median preschool-age fees are found in Calgary, at \$810 a month; this is down from the 2019 fees of \$1,075 a month. Richmond, B.C. has the second highest fees, \$800 a month (down from \$955)¹² and Oakville, Vaughan, Toronto (Ontario) and Burnaby and Surrey (B.C.) have similar fees, over \$600 a month, down from roughly \$1,200 a month 2020.

Quebec cities are at the lower end of the scale, like before, with median preschool-age fees of \$192 a month. The cities of St. John's, Winnipeg, Saskatoon, Regina and Iqaluit were next, with a median fee of \$217 a month for preschool-aged children, or \$10 a day. This represents a substantial drop in all these cities compared to 2019, most so for Iqaluit, where preschool-age fees were \$1,213 a month in 2019 (cities in Nunavut have an over age two category and providers generally charge the same for toddlers and preschool-age children, see Table 3 of the appendix).

The least affordable city in 2023 for preschool-age children was Calgary at \$810 a month. Just three years ago, 59 per cent of cities (22 cities) had median fees that exceeded this amount. This illustrates how much more affordable child care has become.

Section 3: Have fees been reduced by half?

SECTION 2 EXAMINED the median fees by age group and city both in 2023 and the base year. Section 3 explicitly calculates the percentage fee reduction to determine—for each age group and each city—if the specified 50 per cent reduction in fees was achieved by the spring of 2023.

To evaluate the 50 per cent reduction target, we need to keep in mind that the base year in all of the agreements signed between the federal government and each province/territory, except New Brunswick, Quebec and Ontario is 2019.¹³ Ontario's base year is 2020 instead of 2019, as per its agreement with the federal government.¹⁴ Oddly, the agreement with New Brunswick sets no explicit base year, although it implies 2019,¹⁵ and based on the understanding that Quebec's agreement does not require Quebec to agree on specific goals or targets with the federal government, Quebec did not have a goal for fee reduction. Further, Quebec fees were already below \$10 a day before the CWELCC began. Generally, for consistency in this report, we treat 2019 as Quebec's base year although it has none specified.

Setting the base year as 2019 means that fees will have to drop by more than 50 per cent because they have crept up with inflation between 2019 and 2022.

The first section of the paper examined the “how” of fee reductions strategies in each jurisdiction. Some of the approaches to fee reduction essentially guarantee a 50 per cent reduction in every city and every age group, whereas this is not automatic with others. That is, in jurisdictions with set fees, the province or territory determines what the fee will be and provides operating funding to centres and family child care providers to make up the difference. This approach guarantees that they will reach the 50 per cent reduction target if the 2023 fees are set 50 per cent below where they were in 2019.

Other approaches do not automatically ensure a 50 per cent reduction. Four provinces and territories (Nova Scotia, Alberta, British Columbia and Yukon) retain a market fee approach and apply a set dollar reduction to the market fees. Fees will differ between cities for various reasons. In more expensive cities, the flat dollar amount may reduce fees by less than 50 per cent, while in less expensive cities, it may reduce it by more than 50 per cent. There also may be substantial fee variance within a given city, so some parents may benefit from more than a 50 per cent reduction (if their fees were lower to begin with, as the reduction is a flat dollar amount), and some parents may see less than a 50 per cent reduction.

Using a somewhat different approach, in Ontario, each centre or family child care provider used March 31, 2022 fees and reduced them by 52.75 per cent, assuming this would result in a fee that was 50 per cent of their 2020 fee, with a small amount of fee inflation. Potentially, this seemed more likely to succeed at reaching the 50 per cent reduction goal than the approach employed by the four provinces/territories that applied a flat-dollar amount reduction to their market fees.

It’s also important to keep in mind that compositional changes can affect the calculation of median fees with some approaches. That is, in an approach using a set dollar reduction to market fees, if a large centre with low fees closes, the result will be a higher median fee. Conversely, if a new large centre charging high fees opens, this will drive up the median. To compensate for this, jurisdictions have put in place maximum fees that a new centre can charge if it wishes to be part of the CWELCC. However, depending on the cap, this may well still drive up the median. These compositional changes may offset part of any flat-fee reduction.

As well, service providers may have decided not to participate, although most did. If several large, high-fee centres are not participating in CWELCC, the median won’t fall by the full amount of a flat-dollar-fee reduction. Additionally, service providers have increased fees since the base year before

TABLE 2 Change in median fees 2023 vs. 2019 (2020 for Ontario)

Green = greater than 47% reduction; **yellow** = 40-47% reduction; **red** = smaller than 40% reduction

City	Province	Infant	Toddler	Preschool-age
St. John's	Newfoundland and Labrador	-77.3%	-70.1%	-67.1%
Halifax	Nova Scotia	-43.7%	-45.0%	-47.1%
Charlottetown	Prince Edward Island	-41.2%	-28.6%	-25.9%
Fredericton	New Brunswick	-45.4%	-46.3%	-43.4%
Moncton	New Brunswick	-46.8%	-45.5%	-45.9%
Saint John	New Brunswick	-47.5%	-47.1%	-41.2%
Gatineau	Quebec		7.3%	
Laval	Quebec		7.3%	
Longueuil	Quebec		7.3%	
Montréal	Quebec		7.3%	
Québec City	Quebec		7.3%	
Brampton	Ontario	-50%	-51%	-51%
Hamilton	Ontario	-42.2%	-43.2%	-42.5%
Kitchener	Ontario	-54.9%	-54.8%	-51.3%
London	Ontario	-50.6%	-49.2%	-51.4%
Markham	Ontario	-44.0%	-49.5%	-49.7%
Mississauga	Ontario	-52.2%	-51.5%	-53.9%
Oakville	Ontario	-45.6%	-47.9%	-50.1%
Ottawa	Ontario	-47.8%	-46.0%	-49.0%
Richmond Hill	Ontario	-50.5%	-49.3%	-52.3%
Toronto	Ontario	-51.6%	-54.1%	-49.0%
Vaughan	Ontario	-47.1%	-47.5%	-44.2%
Windsor	Ontario	-52.7%	-52.8%	-52.1%
Winnipeg	Manitoba	-66.7%	-51.9%	
Regina	Saskatchewan	-74.5%	-68.1%	-65.0%
Saskatoon	Saskatchewan	-78.2%	-72.9%	-70.7%
Calgary	Alberta	-40.0%	-23.8%	-24.7%
Edmonton	Alberta	-48.4%	-38.1%	-38.9%
Lethbridge	Alberta	-44.7%	-38.8%	-33.7%
Burnaby	British Columbia		-36.4%	-22.9%
Kelowna	British Columbia		-43.0%	-39.6%
Richmond	British Columbia		-24.6%	-16.2%
Surrey	British Columbia		-32.5%	-21.6%
Vancouver	British Columbia		-44.2%	-44.4%
Whitehorse	Yukon	-68.9%	-73.3%	-73.7%
Yellowknife	NWT	-53.1%	-48.0%	-61.1%
Iqaluit	Nunavut	-83.3%		-82.1%

Source 2023 CCPA child care fee survey.

Note Base year is 2019 for all cities except Ontario where it is 2020.

the CWELCC. Jurisdictions have since tried to regulate fees, but part of the set-dollar reduction might be absorbed by those fee increases.

To further complicate matters, in 2019, British Columbia and Alberta (both of which use flat-dollar reductions to market fees) had a minority of centres that were already part of set-fee programs (\$10 a day and \$25 a day, respectively). Since then, B.C. has expanded its \$10-a-day centres, reducing the median fee in cities with a substantial number of set-fee spaces. However, Alberta did the opposite since 2019, ending its \$25-a-day program, thereby increasing median fees compared to the 2019 base year.

The purpose of Table 2 is to include the impacts not just of any provincial/territorial fee reduction plans associated with the CWELCC but to also include all changes, as noted above, to get a true representation of the change in fees between the base year (2019 or 2020) and 2023 and assess if the federal 50 per cent reduction target was achieved.

The data show that of the 32 cities (excluding Quebec), in over half (18), the fees fell by the federal target (that is, fees fell 47 per cent or more) in all age groups. In addition, between one-fifth and one-quarter of the 32 cities' fees fell by between 40 per cent to 47 per cent. This falls short of the federal target but is, nevertheless, a substantial reduction. The remaining 13 per cent to 25 per cent of the cities (depending on the age group) missed the federal reduction target by a fair margin.

Table 2 illustrates how much fees have changed by city. Green highlighted cells indicate the 50 per cent target was essentially met. In yellow highlighted cells, the target was missed, but not by a substantial amount. Pink highlighted cells indicate the target was missed by a fair margin.

The next section examines the results in more detail on a province-by-prinvc and territory-by-territory basis.

Newfoundland and Labrador city details

Since 2014, Newfoundland and Labrador has been slowly rolling out its Operating Grant Program (OGP). It initially set fees only at centres (not including family child care, which is now included).

In 2019, for the first time, half of St. John's spaces were using the OGP, so the set fees were the median. These were substantially reduced from Newfoundland and Labrador's fairly hefty fees, especially for infants. Nevertheless, the 2019 set fees of \$44/\$33/\$30 a day for infants/toddlers/

preschoolers, respectively, were relatively high among set-fee provinces at mid-range.

At the end of 2022, the set fees for all groups fell to \$10 a day, reaching the 2025 target three years early—and resulting in a proportional reduction in fees well over the 50 per cent target. The reduction is larger for infants, as the set fees in this age category were higher in 2019.

Nova Scotia city details

Nova Scotia is reducing market fees by a set dollar amount of \$23 a day for infants and \$18.25 a day for toddlers and preschool-age spaces. These amounts are sufficient in Halifax for preschool-age fees to reach the 50 per cent reduction target. But as toddler and preschool-age fees were reduced by the same dollar amount, and pre-CWELCC preschool-age fees were less expensive, there is a bigger proportional reduction in preschool-age fees and not quite enough in toddler fees in Halifax to achieve the 50 per cent reduction compared to 2019. For infant fees, the reduction of \$23 a day brings infant fees close to meeting the 50 per cent target in Halifax, but not quite enough to get fees to half of their 2019 median.

Prince Edward Island city details

In 2019, P.E.I. used set fees that varied by age group; the 2019 daily set fees were \$34 for infants, \$28 for toddlers and \$27 for preschool-age. By January 2023, all age groups had been reduced to \$20 a day. Since infant fees in 2019 were the highest, they proportionally had the largest reduction, close to, but not achieving, the 50 per cent target. Toddlers and preschool-age fees have also been reduced but since they were lower to begin with, they do not meet the target. As a result, moving to a common fee across all three age groups had a more limited impact vis-a-vis meeting the target.

The province of P.E.I., like Alberta, is including a change in its income-based parent fee subsidy program as part of its 50 per cent reduction, which is not factored into this survey because our data is based on fees charged by the service provider. In 2019, Charlottetown was one of the lowest-fee cities, ranking 7th on median preschool-age fees, but in 2023, it is mid-range, at 17th of 37 cities.

New Brunswick city details

The picture for New Brunswick is mixed, with fees dropping since 2019 in most of New Brunswick's cities and age groups but not quite reaching the federal target, except in the case of Saint John where infant and toddler fees do fall by roughly half. In 2019, the province's market fees differed for infants, toddlers and preschool-age children. In 2022, the province moved to set fees, with a \$21-a-day fee for infants (age two and under) and \$18 a day for the toddler/preschool-age group (age two to four) in large urban communities, and \$19 and \$16 a day, respectively, in small urban and rural communities.

These set fees were close to, but not quite enough, to reduce fees to half of their 2019 value in most cases. In 2023, the set fee for toddlers and preschoolers are the same, but the preschool-age fee had been lower in 2019 and there is, therefore, a slightly larger percentage reduction than for toddlers.

In absolute terms, Fredericton, Moncton and Saint John were in the lower half of rankings on median fees before the CWELCC and remain there in 2023.

Quebec city details

The median fees in Quebec cities are the only fees that have increased since 2019. Quebec's 2019 fees were already below the \$10-a-day target, at only \$8.25 a day. As we have noted, Quebec's set fees are annually adjusted and are \$8.85 a day in 2023. Therefore, while median fees are seven per cent higher than they were in 2019, they are still the lowest Canada-wide in 2023. However, the gap between Quebec and other provinces is now much smaller, with six other cities now having reached median fees of \$10 a day. Note that Quebec's asymmetrical CWELCC agreement with the federal government does not require it to set or meet federal targets.

Ontario city details

In Ontario, a fee reduction of 52.75 per cent was based on centre and family child care fees on March 31, 2022. The base year in the CWELCC agreement for Ontario was 2020, making it slightly easier to reach the target compared to cities in the other provinces/territories with 2019 as the base year (because Ontario had one less year of inflationary increases).

The Ontario approach of a percentage fee reduction by each provider avoids some of the problems of providing a set-dollar fee reduction, though both

retain a market fee approach. The set-dollar reduction is harder to calibrate provincewide, yielding more than a 50 per cent reduction in smaller cities but less than 50 per cent in bigger cities with higher fees. There was also no upper limit to the amount that Ontario would cover; this meant that higher-fee centres (more likely to be for-profit, based on our data over multiple years) would get more public financial support than lower-fee centres.

Overall, most Ontario cities achieved the federal 50 per cent fee reduction target in most age groups.

Hamilton didn't quite reach the federal targets. This can be attributed to the city's use of provincial funds in 2020 to provide its own flat-dollar fee reduction program, with the effect of reducing its median fees in 2020. Several other Ontario cities were experimenting with this approach, but the others' programs had all been cancelled before 2020.¹⁶ Hamilton's program ended in 2020 and the new 2022 provincial percentage reduction in fees was not enough to reduce parent fees by 50 per cent, although Hamilton remains one of the cheaper Ontario cities.

There were some near misses of the 50 per cent target in some of the wealthier Toronto suburbs—Oakville, Vaughan and Markham. These areas—with considerable for-profit provision—had relatively high fees to begin with. They are also home to more centres that are opting-out of the CWELCC reductions (again, more likely to be for-profits), putting upward pressure on the median.

Although Ontario cities mostly managed to reach the 50 per cent reduction target, these were not the lowest-fee cities. Indeed, Ontario, Alberta and B.C. cities crowd the high end of the list for 2023's highest fees. Nevertheless, median fees in Ontario are much lower than they were in 2020. If Ontario had moved to \$10 a day in 2023—as four other provinces and territories did—parents would have seen a much larger percentage drop, particularly as fees were very high to begin with.

Manitoba city details

In Winnipeg, toddler/preschool-age fees achieved the 50 per cent reduction target and their infant fees far exceeded it. Winnipeg's median fees in 2019 were already among the lowest. They were provincially set, with different fees by age group, so the set fees in 2019 were higher for infants than for toddlers or preschoolers. Since infant fees were higher than other age groups in 2019, they fell more, as Manitoba fees for all age groups moved to the same value

in 2022. In 2023, Manitoba moved to a maximum set \$10-a-day fees for all ages, immediately reaching the federal goal of \$10 a day three years early.

Saskatchewan city details

In Saskatoon and Regina, the fees fell by much more than the federal target of 50 per cent—between 65 per cent to 78 per cent, depending on the age group. In 2019, Saskatchewan used a market-fee system for its supply of almost entirely non-profit centres, providing fairly substantial operating grants before the CWELCC. These two factors—non-profit provision and substantial operating grants—had kept parent fees relatively low even without a set fee. In 2022, Saskatchewan moved to a maximum set \$10-a-day fee for all age groups, reaching the long-term goal three years early.

Again, note that market systems almost always have higher fees for younger children. In Saskatchewan, the shift to set fees for all age groups created a larger decrease for younger ages, which had higher fees as a starting point. As described earlier, moving from market fees to a set fee usually has immediately eliminated fee variation.

Alberta city details

Although 2023 median fees were lower than they were in 2019, the Alberta cities mostly fell short of the federal targets, with only one “green” city/age group, and one “yellow” in Table 2. There were several factors at play. First, in 2019, about 10 per cent of spaces were part of a pilot set-fee program (\$25 a day), affecting median fees in the base year. Following a change in government, the \$25-a-day program was cancelled in two stages, with some centres’ funding cancelled in 2020 and the remainder in March 2021. The cancellation of the program forced these service providers to reset to higher market fees, thus pushing the median up compared to 2019.

Additionally, Alberta’s CWELCC approach has two parts. The first is a set-dollar fee reduction to market fees (“affordability grants”). The second part is a change to the existing income-based fee subsidy, expanding individual fee subsidies to higher-income levels but also making them less generous in terms of covering child care fees. As discussed earlier, the annual fee survey has never included individual parent fee subsidies in our calculations because they replace “at the gate” parent fees fully or partially rather than reducing the fee, per se.

Infant fees in Edmonton almost met the federal target (reduced by 48 per cent) and Lethbridge came close (reduced by 45 per cent). In Calgary, several high-fee centres did not participate in the new CWELCC program, therefore putting upward pressure on the median despite the fee reductions that applied elsewhere.

In the other age groups, no matter the city, the 50 per cent reduction target was missed by a substantial margin. On its own, the flat-dollar reduction of the “affordability grant” wasn’t enough to sufficiently reduce fees, particularly after the elimination of the \$25-a-day spaces.

British Columbia city details

British Columbia has several interesting features. One of them is that before 2019, it had already introduced a modest flat-dollar reduction to market child care fees as part of the Child Care Fee Reduction Initiative (CCFRI). That reduction is part of the 2019 median fees we recorded that year and included in Table 2 calculations.

Another interesting feature of B.C. is that there are two approaches to lowering child care fees: a flat-fee reduction for the majority of service providers and \$10-a-day set fees for a growing (though still small) number of service providers. There has been a substantial expansion of \$10-a-day spaces in Vancouver since 2019; in 2021, eight per cent of the full-time licensed child care spaces for children below kindergarten age in the city were part of the \$10-a-day “prototype” site program, or just over 300 spaces. By 2023, this had jumped to 2,100 spaces, driving the ratio of \$10-a-day spaces to market-reduced fee spaces up to 35 per cent, with a substantial impact on median fees.¹⁷ This impact is in addition to the province’s flat-dollar fee reduction, which applied to a different set of child care providers. The expansion of \$10-a-day spaces was facilitated in Vancouver by the concentration of larger, non-profit organizations in the city (two-thirds of Vancouver spaces are non-profit due, at least in part, to City of Vancouver policy). Provincewide, the provincial government began to prioritize not-for-profit provision in 2019; this was reinforced through the 2021 CWELCC agreement, with its explicit prioritization of expansion in public and non-profit child care. The province stated: “Priority will be given to larger non-profit, publicly delivered and Indigenous-led providers...”¹⁸ Additionally, mortgage costs can no longer be publicly funded for \$10-a-day operators if they are corporations, partnerships or sole proprietors.¹⁹ Since mortgages are more common among for-profit

operations, this further shifted expansion towards non-profit providers. Additionally, becoming a \$10-a-day site involves an application process. The application period for the 2023 expansion was only 60 days and may have allowed multi-site service providers that already had some \$10-a-day sites to rapidly include the rest of their sites.²⁰ Several large, non-profit, multi-site providers in Vancouver took this route, including the YMCA, University of British Columbia and the Vancouver Society of Children’s Centres (VSOCC).

Unfortunately, although the \$10-a-day expansion was substantial in Vancouver and its low set fees were combined with flat-dollar fee reduction for other centres, median fees for all age groups fell by only 44 per cent, missing the 50 per cent federal target.

In contrast, Richmond, Burnaby and Surrey fell well short of the 50 per cent target. In these other B.C. cities, there simply wasn’t enough density of non-profits, in particular non-profit, multi-site services. The best case is Burnaby, where one-third of spaces are non-profit. The Simon Fraser University child care complex, with more than 230 spaces (excluding before- and after-school) in multiple facilities, which is Burnaby’s largest non-profit provider, is a \$10-a-day site, but there were few others.

There was no substantial increase in the number of \$10-a-day spaces in any of these cities. As such, this important contributor to Vancouver’s fee reduction remained numerically unimportant elsewhere. In Burnaby, 12 per cent of spaces are \$10 a day in 2023; in Richmond, it is eight per cent and in Surrey, it is only six per cent.

In Richmond, there was an important compositional change that we noted in our 2021 report.²¹ The entrance of new, predominantly for-profit, higher-fee spaces in 2021, which had a notable impact on the median that year, continued into 2023. The addition of new higher-fee spaces in for-profit centres in 2021 made it harder for the flat-dollar fee reduction to bring fees down the full 50 per cent compared to 2019. Although limits are placed on fees in new centres, those limits are the 75th percentile of preschool-age and 80th percentile for infants and toddlers.²² Adding in new spaces at well above the median (the 50th percentile) will serve to increase a city’s median fee.

Fees in Kelowna, while lower than in 2019, still failed to meet the 50 per cent reduction target, particularly for preschool-aged children, at a fee reduction of 40 per cent. Compositional changes played an important role here, with one private mid-range centre closing, pushing the median higher. The proportion of set-fee, \$10-a-day spaces remained low, at nine per cent in 2023.

Yukon city details

The Government of Yukon introduced the Yukon universal child care program (a set-dollar reduction to market fees) shortly before the 2021 federal announcement of the CWELCC, allowing Whitehorse parents to benefit from a reduction in fees a year earlier than other provinces/territories. CWELCC funds are now helping cover the cost of this territorial initiative.

The flat-dollar fee reduction was the same for all age categories. Since preschool-age fees were lower to begin with, there was a larger percentage reduction in preschool-age fees compared to those for toddlers or infants. Without knowing the federal targets when its program began, the Yukon program still reached them without modification.

Northwest Territories city details

The Northwest Territories maintains a market fee system, with a 60 per cent reduction in fees. Unlike Ontario, which also uses a percentage reduction approach, the Northwest Territories reduction is capped at \$665 a month for children aged 23 months and under and \$640 a month for two- to five-year-olds. The reduction amount was sufficient to achieve the federal targets in Yellowknife, with all median age group fees declining by at least 50 per cent.

Nunavut city details

Nunavut moved, ahead of schedule, to parent fees of \$10 a day at the end of 2022. In 2019, the territory's market fees were higher for younger children and the median preschool-aged fees in Iqaluit were the highest in the country—higher than large urban centres like Toronto and its suburbs.²³ Thus, the move to \$10-a-day set fees resulted in an 82 per cent drop in fees, the largest drop in any city in Canada.

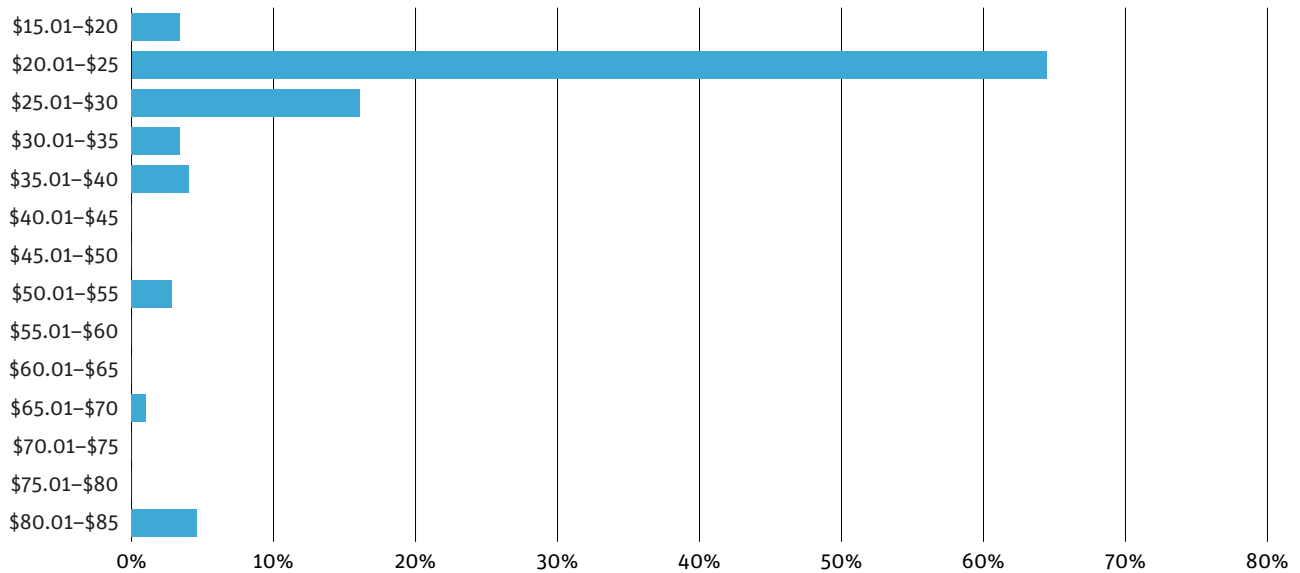
Section 4: A median doesn't tell the whole story

IN THIS PAPER, extensive city level datasets are summarized into a single number: a weighted median. This approach, while useful, nevertheless tells us nothing about the variance around the central number, which is of key importance to parents paying for child care. For instance, parents searching for a child care space in a city with set fees of \$25 a day (therefore, a median of \$25 a day) will generally only encounter fees of \$25 a day regardless of the service provider. Indeed, they are unlikely to even ask about fees because they are already known. On the other hand, in a city with market fees but the same median of \$25 a day, parents certainly will have to ask about fees every time and will find substantial variation above and below the \$25-a-day median.

It is illustrative to consider several child care market-fee cities to determine the variance around the median:

Hamilton is a mid-sized southern Ontario city with a preschool-age median fee of \$23.15 a day in 2023. Figure 4 shows a relatively tight distribution around the median. This seems to be due to several large non-profit, multi-site service providers dominating provision of child care. In Hamilton's case, these are: Today's Family, Umbrella, the Hamilton-Wentworth Catholic child care centres and the YMCA.

FIGURE 4 Hamilton: proportion of spaces by daily preschool-age fee (2023)



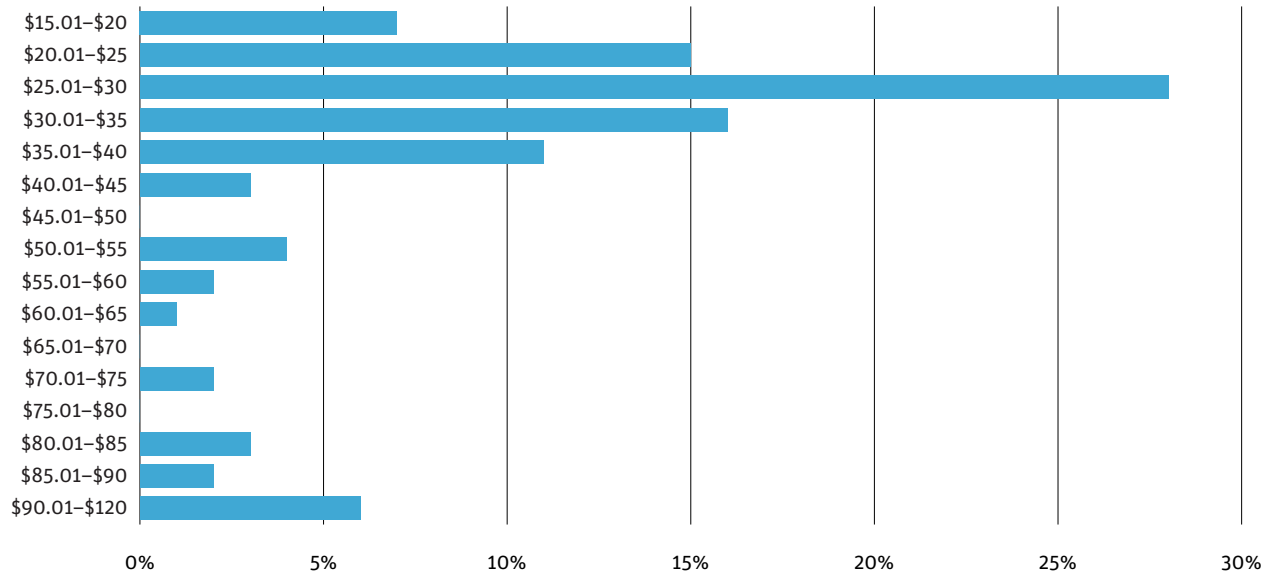
Note Only for centres.
Source 2023 CCPA child care fee survey.

These non-profit, multi-site centres tend to have relatively low fees to begin with and all participate in the CWELCC. Since they make up most of the spaces in the city, they focus the distribution around the median. From Figure 4, 64 per cent of centre spaces in the city have a fee between \$20 and \$25 a day. A similar trend is observed elsewhere in cities like London, Ontario. There is a longer right tail, but it is relatively thin. In essence, the Hamilton distribution looks quite similar to what the distribution of a city with set fees of \$23 a day would look like.

In other (bigger) cities, like Toronto (Figure 5), there is more variance in the distribution. There is certainly some concentration around the median of \$29.35 a day, but also a very long right tail. There is far less skewing on the left tail, due, again to the lower bound of \$12 a day set by the Ontario government.

There are several reasons why the variance in fees is higher in Toronto. In more expensive cities, we're more likely to find centres that have opted out of the CWELCC fee reductions, further extending the left tail. Toronto has almost 900 centres with spaces for children not yet in kindergarten. Thus, it is hard for a few non-profit, multi-site operators to hold a dominant

FIGURE 5 Toronto: proportion of spaces by daily preschool-age fee (2023)

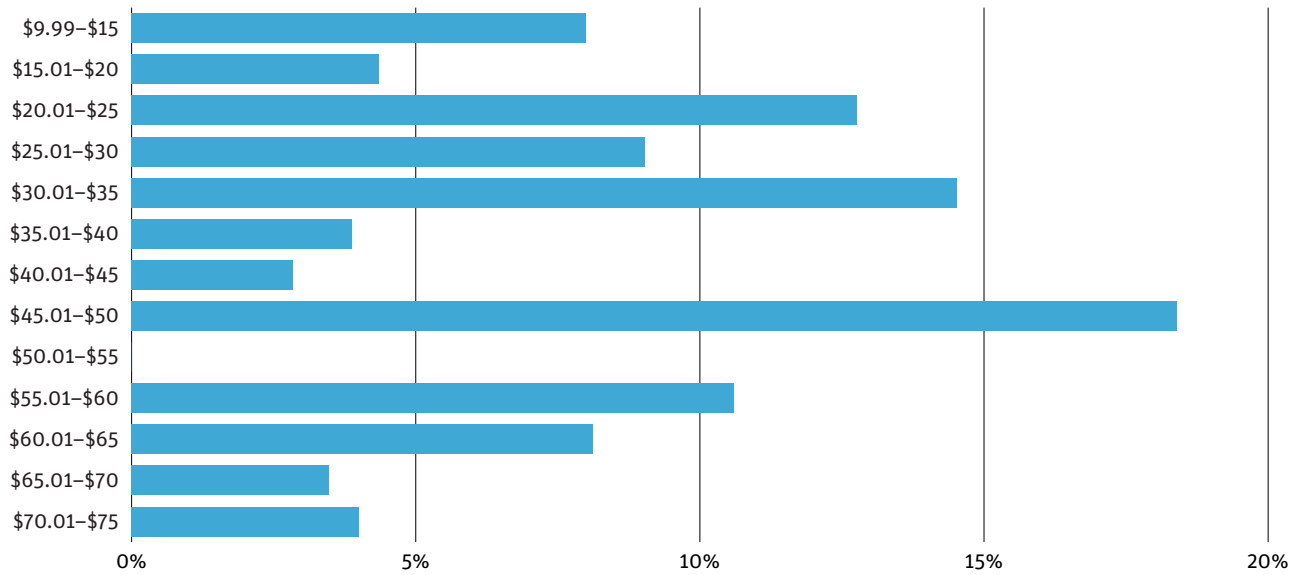


Note Only for centres, this is a sampled distribution; the \$90.01-\$120 bar is a different width.
Source 2023 CCPA child care fee survey.

position, as is the case in mid-sized cities like Hamilton. In Toronto, there are certainly large not-for-profit providers, like the YMCA with 42 centres or the City of Toronto with 43 centres, but they aren't as dominant as they would be in a smaller city. The result is that there is much more variance and a longer right tail. Parents can easily find centres at \$10 a day or even \$80 a day more than the median—something that would be nearly impossible in set-fee cities such as Winnipeg, St. John's or Montreal, or even mid-sized cities market fee cities such as Hamilton.

The situation in large cities outside of Ontario, like Richmond, B.C., for example, shows a similar variance. The median preschool-age fee in Richmond is \$37 a day. The tail is slightly longer on the left due to some \$10-a-day set-fee centres—a model that does not exist in Toronto. However, there remains a long right tail. The provision of child care in Richmond, which comprises 84 per cent for-profit centres, may be driving a broader range of fees compared to Hamilton, where most spaces are provided by three large non-profit, multi-site providers charging almost identical amounts. As noted above, in B.C., new centres can charge up to the 75th to 80th percentile, which might encourage new centres, especially for-profits, to open in already high-fee cities, like Richmond. Thus, parents using

FIGURE 6 Richmond: proportion of spaces by daily preschool-age fee (2023)



Note Only for centres, this is a sampled distribution.

Source 2023 CCPA child care fee survey.

child care in Richmond will experience a wide variety of fees that differ substantially from the median.

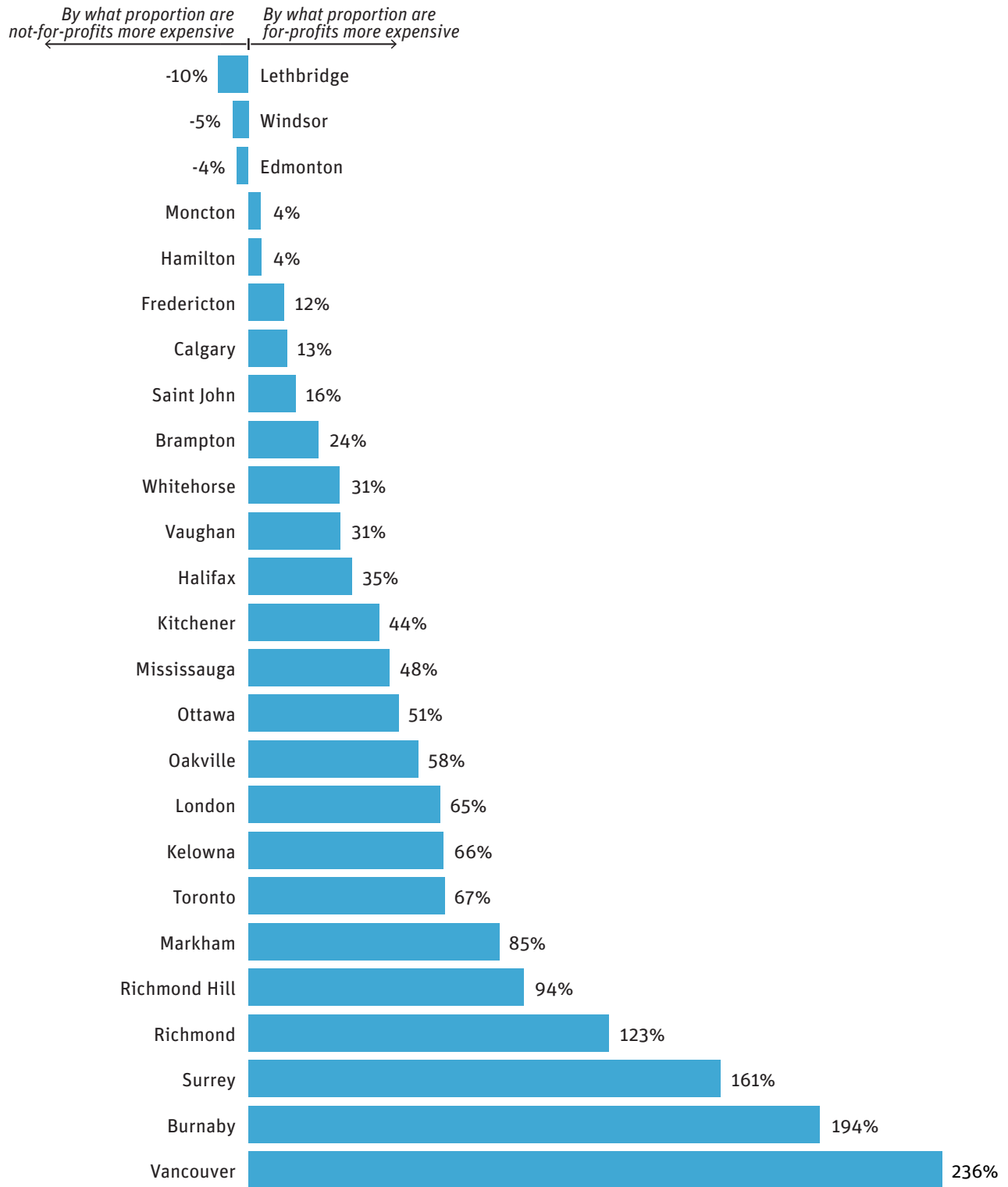
Section 5: The growing gap between non-profit and for-profit fees

AN IMPORTANT PART of the CWELCC plan’s expansion approach is a focus on public and non-profit child care for expansion. The wording in the backgrounder to the federal budget announcement of the CWELCC in April 2021 was “primarily not-for-profit sector child care providers.”²⁴ In practice, provincial/territorial agreements and action plans have generally been consistent with this condition, with some caveats.²⁵

In previous reports, before the CWELCC fee reductions, we compared preschool-age fees in public and non-profit to for-profit centres. Average non-profit fees were lower in almost every city, sometimes by a considerable margin.²⁶ This shouldn’t be a surprise because in a regulated service like child care, adding a profit to the expenses merely adds to the cost²⁷ with no discernable savings. At least part of the reason to argue that focusing expansion “primarily” on public and non-profit child care is good policy, as that it is more efficient in containing costs, as well as ensuring that government dollars are not wasted as private profits.²⁸

In this report, we have replicated this analysis using 2023 data. Compared to previous versions, the gaps between profit-making and not-for-profit

FIGURE 7 For-profit vs. non-profit centre preschool-age fees, 2023



Source 2023 CCPA child care fee survey.

services have become much wider this year, as shown in Figure 7. That is, the implementation of the CWELCC fee reduction strategies has driven a substantial gap between the higher average fees of for-profit service providers compared to not-for-profits.

It is important to note that although the federal government has set out a preference for public and non-profit child care to drive expansion, and most of the provinces and territories have agreed to this, fee reductions and the associated operating funding apply to existing for-profit and non-profit centres alike. Thus, centres are generally equally eligible to join and be funded to deliver reduced fee child care under the same rules.²⁹

However, as our data over the years has shown, higher-fee centres are more likely to be for-profit. As well, for-profit centres are less likely to participate in fee-reduction programs, pushing up the average fee in the for-profit sector. This may be related to other constraints, like not wanting to abide by restrictions on future fee increases, for example.

The gap between not-for-profits and for-profits is particularly large in Vancouver for several reasons. First, City of Vancouver policy has historically focused on non-profit child care. In 2023, more than one-third of Vancouver spaces are at \$10 a day. The net result is that Vancouver for-profit centres now charge on average three times—235 per cent—more than non-profit fees. The situation is similar in Surrey, Burnaby and Richmond, where at least two-thirds of centres are for-profit. The average fees at for-profit centres in these other B.C. cities are roughly twice as much as non-profit centres.

In Ontario, Richmond Hill and Markham have a number of centres that are not opting in to the CWELCC fee reductions. These tend to be for-profit, again driving up the longstanding fee gap between for-profit and non-profit centres.

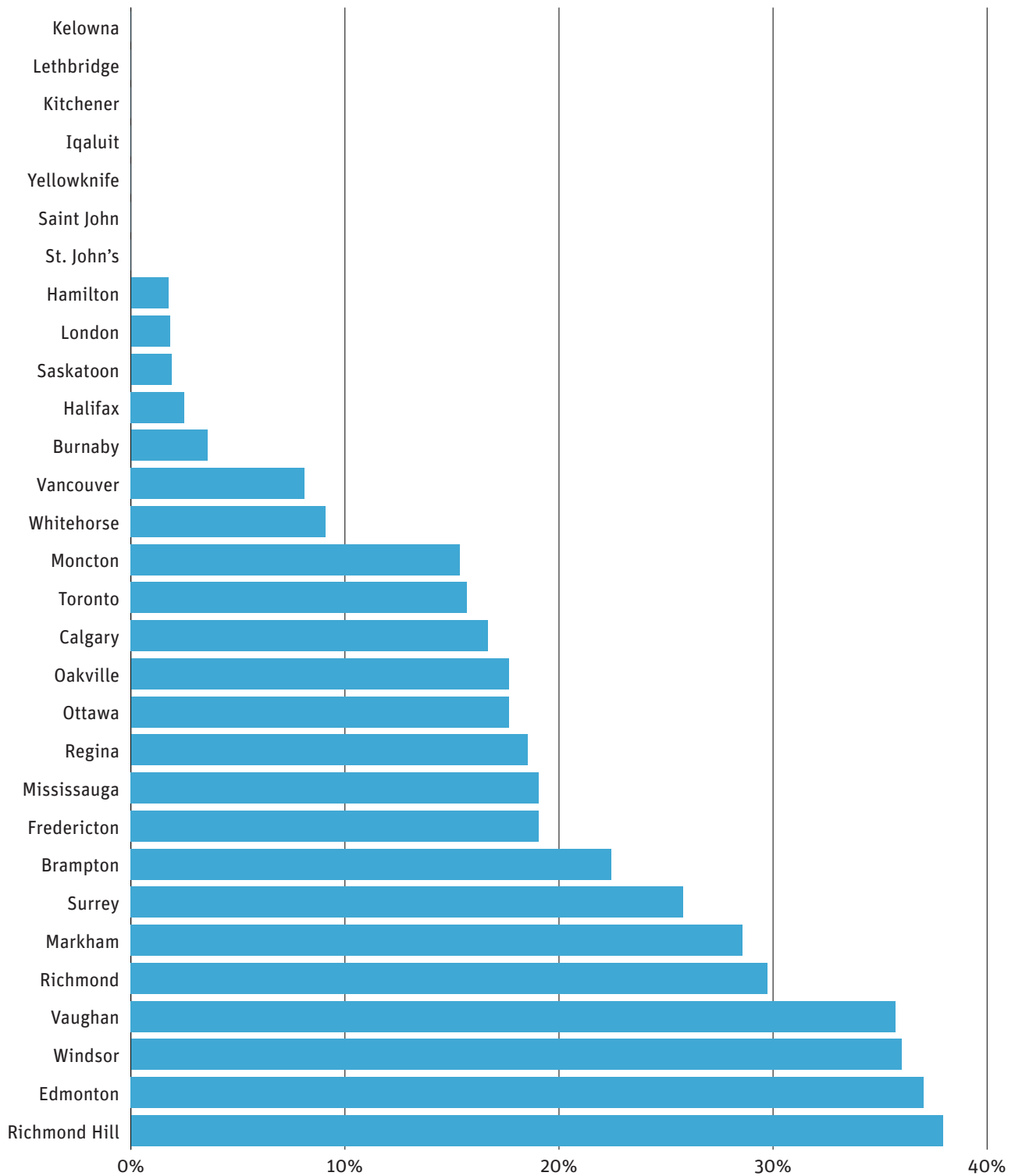
There are some cities where not-for-profit centres are slightly more expensive (Lethbridge, Windsor and Edmonton), but by minor amounts.

Section 6: Is there excess capacity to meet new demand?

BUILDING A CHILD care system, as we know, is about more than replacing high parent fees with affordable fees. With child care fees dropping dramatically across the country—even if some fell less than 50 per cent, the reductions were dramatic—there will be demonstrably increased demand for regulated child care, which will grow as fees are further reduced. As parents with young children have become aware that child care fees have been made much more affordable, their calculus regarding the possibility of affordable, licensed child care for their own children has undoubtedly changed. Sky-high fees were one key element that has long made Canadian child care inaccessible. The reduced fees contribute to allowing parents to work, move from part-time to full-time work, take on advanced work roles or return to education or training. This, after all, meets a number of the CWELCC’s goals: to increase labour force participation, usually for women, and thereby raise family income, Gross Domestic Product (GDP) and government tax revenues.

But the key promise to make child care affordable will be thwarted if low parent fees merely contribute to long wait lists. Building a child care

FIGURE 8 Percentage of centres that could enrol a full-time preschool-aged child in the next week



Source: 2023 CCPA child care fee survey.

system that will increase women’s labour force participation, raise family income, GDP and tax revenues also depends upon whether an appropriate space—hopefully a high-quality appropriate space—is available for parents to access. Thus, meeting the goals is predicated on at least meeting the targets for expansion included in each province/territory’s action plan.

This year, the annual fee survey included a question designed to shed light on the pivotal issue of child care capacity to expand by asking whether the service provider could enrol a new full-time child in each age group “in the next week.” Providers sometimes operate below their licensed capacity, but the goal of this question is to try to gauge whether, and how much, spare capacity to expand is available or whether services are full. In previous annual surveys, we’ve asked about wait list lengths, but because parents register on multiple wait lists and list maintenance is highly variable, these questions did not yield meaningful results.

Figure 8 presents the proportion of centres, by city, that reported they would be able to enrol an additional preschool-aged child in the next week, using the oldest age group to represent the best-case scenario for availability because preschool-age spaces are the most numerous.

Of the 30 cities with data on this question, half (14) had little to no spare capacity to accept additional preschool-aged children quickly, with lack of excess capacity defined as less than 15 per cent of centres reporting that they have space for a new child in the next week. The situation is even less optimistic for infant and toddler spaces: little or no spare capacity was reported in 22 of the 30 cities.

Even in the preschool-age best-case scenario, as presented in Figure 8, in cities such as Edmonton, Richmond Hill, Windsor or Vaughan, Ontario, just over one-third of centres reported that they could accept a full-time child in the next week.

The lack of sufficient spaces and long waiting lists were an issue for many centres long before child care fees were reduced through CWELCC funding. Our recent, related work mapping child care spaces by postal code shows that “child care deserts” are more acute in some provinces and in rural settings. Downtowns of larger cities are generally best served with smaller towns and suburbs sitting in the middle but there are child care deserts in most regions of Canada.³⁰

Rapid, focused space expansion is a critical, if under-appreciated, part of the Canada-wide \$10-a-day program. In addition to being affordable, a Canadian early learning and child care plan needs to ensure that child care is accessible, building enough supply over time so that everyone who wants to

take advantage of affordable, quality child care can do so. Although CWELCC fee reductions are generally well underway, with the first set of goals met or exceeded in most cities and in most age groups, the next challenge will be ensuring that parents can find a space at these lower fees.

Conclusion and recommendations

LAST YEAR, THE annual fee survey led us to conclude that “Canadian early learning and child care is in an exciting and historic place. With all provinces and territories having signed on to the federal plan, Canada is on the way to a system of universal, affordable quality child care.” In 2023, more than a year later, what has the Canada-wide Early Learning and Child Care plan achieved after a first year of implementation focused on affordability? Our data this year shows that Canada is well on its way to more affordable child care.

Our findings show:

- Of the 32 cities with fee reduction targets (that is, outside Quebec), half met or exceeded the 50 per cent target in all age groups.
- Of the 32 cities with reduction targets, between 75 per cent and 88 per cent of cities saw at least a 40 per cent reduction in median fees, depending on the age group.
- Of the 32 cities with reduction targets, between 13 per cent and 25 per cent of cities missed the federal target by a wide margin, reducing child care fees of less than 40 per cent.
- Five jurisdictions have already reached the 2025-26 target of \$10 a day (including Quebec, which has exceeded the \$10 a day target for 30 years).
- Importantly, seven of 13 provinces and territories now have set fees.

In Section 1, we described how the various provincial/territorial fee reductions have been achieved and how the substantial new public funding has been structured. Although seven provinces/territories have adopted set fees, six jurisdictions still use market fees, reducing them either by a flat amount or a percentage. Two provinces have approached affordability by modifying their parent fee subsidy systems (which all provinces/territories except Quebec retain), together with a set fee in P.E.I. and a flat amount reduction to market fees in Alberta to reduce parents' out-of-pocket costs.

The report's analysis of the distribution of child care fees around the median highlights the inequities that parents experience in jurisdictions with market fees. The report discusses the benefits of implementing set fees: administrative simplicity, predictability for parents, ease of monitoring so affordable fees can be more clearly ensured. As well, set fees are shown to be more equitable; the report illustrates that whether an average or median is achieved in a province or a city or not, parents might continue to experience high fees and inequality despite reduced average fees if those fees continue to be set by the market. As we have noted, retaining the existing patchwork market fee models, including parent fee subsidies, is not effective in system transformation, administratively simple or transparent.

Section 5 of the report focuses on the 2023 data showing the growing gap in fees between not-for-profit and for-profit centres. It notes that previous versions of the annual fee survey had found for-profit fees to be higher than non-profit fees almost everywhere in Canada: "Average non-profit fees were lower in almost every city, sometimes by a fair margin." Replicating this analysis for this report shows that this gap is growing. We speculate that this might be due to the for-profits' higher fee starting point combined with a higher rate of non-participation in the CWELCC. It is important to note, however, that non-participation in the CWELCC is negligible in most provinces/territories and very low in several others. Ontario government figures, for example, identified that 92 per cent of centres are participating. However, because for-profits are concentrated in some cities (Richmond, B.C., for example, but not Vancouver) the lesser participation in the CWELCC, combined with historically higher parent fees, might be the source of the non-profit/for-profit parent fee gap. Alternatively, it might be that accountability mechanisms aimed at curtailing fee increases are not effective.

The last section of this report addresses the link between child care fees and a second key element of child care system-building—expansion of licensed services. It explains the close link between the fee reduction and enhanced parental demand for the newly affordable child care that has

emerged. The child care expansion imperative has, in this environment, taken centre stage in Canada in 2023, together with the closely associated issue of recruitment and retention of the qualified child care workforce needed to staff it. The 2023 fee survey asked the question, “Would you be able to enrol an additional infant/toddler/preschooler in the next week?” The question was designed to gauge the capacity of existing service providers to accommodate more children under their existing licenses. The responses to this question indicated that there is little spare capacity in the system: half to two-thirds of the 30 cities for which we have sufficient data indicated that existing services’ expansion capacity is very limited. This pessimistic finding leads to consideration of what needs to be done to ensure the adequate expansion of affordable, not-for-profit child care that is needed to ensure the success of the CWELCC.

With these conclusions as a basis, and drawing on data and analysis from annual fee surveys from 2014-23, we put forward several recommendations. While the main purpose of the annual fee survey is to document parent fees, the principle of affordability is but one of the three key child care policy elements—affordability, accessibility and the workforce. These are inextricably linked and need to be addressed in a coordinated fashion to avoid unforeseen circumstances (such as increasing parents’ demand for child care by reducing fees, or not having enough qualified staff to expand to improve accessibility) and achieve the desired results.

We put forward four recommendations:

1. We recommend rapidly moving to a set-fee model in all provinces and territories, then reducing those set fees to a maximum fee of \$10 a day by 2025-26. This would make parent fee systems more transparent, efficient, administratively simpler and equitable. This transformation should include moving to geared-to-income parent fee mechanisms up to the maximum fee to replace existing individual parent fee subsidy systems.
2. We recommend that concrete expansion strategies be developed in each province and territory to ensure that agreed-upon space targets for affordable public and non-profit child care can be met. These should be publicly led, collaborative and they should incorporate a variety of mechanisms to expand services—reflecting the limitations of relying on private, voluntary initiatives (including relying on non-profit providers to volunteer to expand) to generate the urgently needed expansion.

3. In light of the widening fee gap between not-for-profit and for-profit services, we recommend that governments strengthen the stated preference for a not-for-profit early learning and child care system by ensuring that expansion is exclusively public and non-profit, and that clear public accountability is in place to support this.
4. Finally, public funding to replace parent fees has become the predominant source or revenue for child care programs. But, as Section 1 shows, the operational funding models needed to create workable provincial/territorial early learning and child care systems have not yet been put in place. Operational funding, including appropriate funding for high-quality programs in the form of improved compensation for the workforce as part of the formula, is a prerequisite.

Child care workforce recruitment and retention have not been part of the annual fee survey. But since workforce issues are closely linked to affordability and accessibility, it is not possible to consider affordable, accessible child care without addressing these workforce issues—they deserve urgent, immediate attention.

Each of these issues merit its own examination to fully address all components and solutions. This is part and parcel of the work of system building and should be tackled without delay.

Canada is well on its way to the more affordable early learning and child care envisioned. The next phase of system building can be truly transformative—achieved by making evidence-based policy changes to funding policy. In this post-watershed year for Canadian early learning and child care, there is an opportunity to establish new pathways. This is the time to do this in the right way, to ensure that the promise of 2021 becomes the new reality of 2025 and beyond.

Appendix A

TABLE 3 Detailed median monthly fee data, 2023

City	Province	Combined fees (median)			Centre fees (median)			Home fees (median)		
		Infant	Toddler	Preschool-age	Infant	Toddler	Preschool-age	Infant	Toddler	Preschool-age
St. John's	Newfoundland and Labrador		\$217			\$217			\$217	
Halifax	Nova Scotia	\$529	\$456	\$456	\$499	\$447	\$442	\$543	\$586	\$586
Charlottetown	Prince Edward Island		\$434			\$434				
Fredericton	New Brunswick	\$456	\$391		\$456	\$391		\$456	\$760	
Moncton	New Brunswick	\$456	\$391		\$456	\$391		\$456	\$488	
Saint John	New Brunswick	\$456	\$391		\$456	\$391		\$911	\$846	
Gatineau	Quebec		\$192							
Laval	Quebec		\$192							
Longueuil	Quebec		\$192							
Montréal	Quebec		\$192							
Québec City	Quebec		\$192							
Brampton	Ontario	\$774	\$619	\$561	\$795	\$630	\$562	\$504	\$504	\$434
Hamilton	Ontario	\$666	\$583	\$499	\$697	\$583	\$502	\$431	\$431	\$410
Kitchener	Ontario	\$626	\$520	\$512	\$838	\$607	\$555	\$626	\$502	\$482
London	Ontario	\$625	\$605	\$523	\$625	\$605	\$532	\$451	\$451	\$451
Markham	Ontario	\$818	\$656	\$600	\$861	\$667	\$600	\$441	\$441	\$379
Mississauga	Ontario	\$768	\$623	\$550	\$774	\$630	\$574	\$513	\$513	\$482
Oakville	Ontario	\$791	\$666	\$617	\$851	\$687	\$617	\$574	\$513	\$492
Ottawa	Ontario	\$521	\$615	\$519	\$725	\$657	\$526	\$475	\$475	\$475
Richmond Hill	Ontario	\$780	\$673	\$570	\$799	\$674	\$574	\$567	\$588	\$567
Toronto	Ontario	\$903	\$725	\$637	\$938	\$733	\$637	\$656	\$656	\$605
Vaughan	Ontario	\$780	\$656	\$625	\$810	\$676	\$627	\$533	\$462	\$482
Windsor	Ontario	\$472	\$410	\$374	\$472	\$415	\$379	\$410	\$349	\$349
Winnipeg	Manitoba		\$217			\$217			\$217	
Regina	Saskatchewan		\$217			\$217			\$217	
Saskatoon	Saskatchewan		\$217			\$217			\$218	
Calgary	Alberta	\$780	\$838	\$810	\$815	\$875	\$815	\$650	\$675	\$700
Edmonton	Alberta	\$555	\$567	\$535	\$550	\$550	\$529	\$600	\$567	\$600
Lethbridge	Alberta	\$498	\$520	\$550	\$467	\$515	\$550	\$525	\$550	\$575
Burnaby	British Columbia	\$636	\$655		\$636	\$680		\$600	\$550	
Kelowna	British Columbia	\$471	\$490		\$471	\$500		\$457	\$411	
Richmond	British Columbia	\$905	\$800		\$915	\$800		\$600	\$504	
Surrey	British Columbia	\$675	\$666		\$715	\$710		\$442	\$415	
Vancouver	British Columbia	\$620	\$530		\$515	\$483		\$850	\$900	
Whitehorse	Yukon	\$280	\$227	\$220	\$281	\$227	\$222	\$0	\$700	\$200
Yellowknife	NWT	\$512	\$514	\$346	\$535	\$530	\$346	*	*	*
Iqaluit	Nunavut		\$217			\$217			\$217	

* Data is suppressed due to inadequate response rate.

TABLE 4 Survey methodology by city

City	Province	% of licensed spaces surveyed	Survey methodology
St. John's	Newfoundland and Labrador	71%	Set fees (\$10/day all ages), Expansion questions methodology: all centers were called
Halifax	Nova Scotia	72%	All centres and family child care providers were called
Charlottetown	Prince Edward Island		Set fees (\$20/day)
Fredericton	New Brunswick	75%	All centres and family child care providers were called
Moncton	New Brunswick	65%	All centres and family child care providers were called
Saint John	New Brunswick	86%	All centres and family child care providers were called
Gatineau	Quebec		Set fees (\$8.85/day)
Laval	Quebec		Set fees (\$8.85/day)
Longueuil	Quebec		Set fees (\$8.85/day)
Montréal	Quebec		Set fees (\$8.85/day)
Québec City	Quebec		Set fees (\$8.85/day)
Brampton	Ontario	73%	All centres and family child care agencies were called
Hamilton	Ontario	83%	All centres and family child care agencies were called
Kitchener	Ontario	94%	All centres and family child care agencies were called
London	Ontario	89%	All centres and family child care agencies were called
Markham	Ontario	69%	All centres and family child care agencies were called
Mississauga	Ontario		A random sampling of centre spaces and all family child care agencies were called
Oakville	Ontario	71%	All centres and family child care agencies were called
Ottawa	Ontario		A random sampling of centre spaces and all family child care agencies were called
Richmond Hill	Ontario	67%	All centres and family child care agencies were called
Toronto	Ontario		A random sampling of centre spaces and all family child care agencies were called
Vaughan	Ontario	63%	All centres and family child care agencies were called
Windsor	Ontario	78%	All centres and family child care agencies were called
Winnipeg	Manitoba		Set fees (\$10/day)
Regina	Saskatchewan	81%	All centres and family child care providers were called. The precise number of spaces is unknown, survey rate is the proportion of centres successfully contacted.
Saskatoon	Saskatchewan	70%	All centres and family child care providers were called. The precise number of spaces is unknown, survey rate is the proportion of centres successfully contacted.
Calgary	Alberta		A random sampling of centre spaces and all family child care agencies were called
Edmonton	Alberta		A random sampling of centre spaces and all family child care agencies were called
Lethbridge	Alberta	76%	All centres and family child care agencies were called
Burnaby	British Columbia		A random sampling of centre spaces and all family providers were called
Kelowna	British Columbia	87%	All centres and family child care providers were called.
Richmond	British Columbia		A random sampling of centre spaces and all family providers were called
Surrey	British Columbia		A random sampling of centre spaces and all family providers were called.
Vancouver	British Columbia		A random sampling of centre spaces and a random sampling of family providers were called.
Whitehorse	Yukon	80%	All centres and family child care providers were called
Yellowknife	NWT	82%	All centres and family child care providers were called. Responses from family child care providers didn't hit preset thresholds and therefore data is suppressed.
Iqaluit	Nunavut	66%	All centres and family child care providers were called

* Data is suppressed due to inadequate response rate.

TABLE 5 Approaches to fee reduction with amounts for centres

Province	Fee system in base year (2019/20)	2023 fee reduction approach	Fee formula in 2023	Infants	Toddlers	Preschool age
Newfoundland and Labrador	Set fees (\$44/33/30 a day)	Set fee reduced to the following	Fees are ->	\$10/day	\$10/day	\$10/day
Nova Scotia†	Market fees	Market fees reduced by a set dollar amount	Market fee minus ->	\$23/day	\$18.25/day	\$18.25/day
Prince Edward Island	Set fees (\$34/28/27 a day)	Set fee reduced to the following	Fees are ->	\$20/day	\$20/day	\$20/day
New Brunswick*	Market fees	Set fees created and are as follows	Fees are ->	\$21/day	\$18/day	\$18/day
Quebec	Set fees (\$8.25 all ages a day)	Fees increased with inflation to the following	Fees are ->	\$8.85/day	\$8.85/day	\$8.85/day
Ontario	Market fees, some city based fee reductions	Reduce market fees by 52.75% from March 2022	Market fee reduced by 52.75%	Centre/home specific 52.75% reduction		
Manitoba	Set fees (\$30/20.80/20.80 a day)	Set fee reduced to the following	Fees are ->	\$10/day	\$10/day	\$10/day
Saskatchewan	Market fees	Set fees created and are as follows	Fees are ->	\$10/day	\$10/day	\$10/day
Alberta†	Market fees with a minority of centres at \$25 a day	Market fees reduced by a set dollar amount	Market fee minus ->	\$635/month	\$510/month	\$450/month
British Columbia†	Market fees reduced by a set dollar amount (\$350/100 a month <3/3-5 yrs). A minority of spaces were at \$10 a day	Market fees reduced by a set dollar amount	A minority of spaces at \$10 a day, Market fee minus ->	\$900/month		\$545/month
Yukon	Market fees	Market fees reduced by a set dollar amount	Market fee minus ->	\$700/month		
NWT	Market fees	Reduce market fees by 60%	Market fee reduced by 60%	Centre/home specific 60% reduction (to a maximum of \$665/\$640 a month for 0-23mths/2-5yrs)		
Nunavut	Market fees	Set fees created and are as follows	Fees are ->	\$10/day	\$10/day	\$10/day

Notes As of April 1, 2023.

* New Brunswick set fees are lower in rural areas.

† Fee reductions are smaller for family child care.

Notes

- 1** For a more detailed description of the CWELCC program, see the introduction of the previous annual fee survey report, [Game Changer](#), (Macdonald & Friendly, 2022).
- 2** The Indigenous Early Learning and Child Care framework (IELCC), which would shape First Nations, Métis and Inuit child care, had been agreed to in 2018.
- 3** Except for Quebec, which signed an asymmetrical agreement with the federal government.
- 4** David Macdonald and Thea Klinger, December 2015, *They Go Up So Fast: 2015 child care fees in Canadian cities*, Canadian Centre for Policy Alternatives, <https://policyalternatives.ca/publications/reports/they-go-so-fast>.
- 5** David Macdonald and Martha Friendly, December 2017, *Time Out: Child care fees in Canada 2017*, Canadian Centre for Policy Alternatives, <https://policyalternatives.ca/timeout>.
- 6** The base year used for CWELCC for parent fee reduction is 2019 for all but Ontario, which uses 2020.
- 7** As noted earlier, the 2023 survey was conducted later in the spring of 2023 rather than the fall of 2022 (the usual timing) so as to capture all provincial/territorial fee reductions by the end of the period agreed to by the federal government and provinces/territories, December 2022.
- 8** See for example, objective 2.1.1 of *The Canada-Ontario Canada-wide Early Learning and Child Care Agreement*, May 2022, www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/ontario-canada-wide-2021.html#h2.05.
- 9** See table 4 of David Macdonald and Martha Friendly, *Game Changer: Will provinces and territories meet the new federal child care fee targets? Canadian child care fees 2021*, May 2023, Canadian Centre for Policy Alternatives, <https://policyalternatives.ca/gamechanger>.
- 10** See Table 5 in the appendix for the values for the other provinces that use this approach.
- 11** Government of the Northwest Territories, *Child Care Fee Reduction Subsidy: 2023/24 increases*, <https://www.ece.gov.nt.ca/en/content/child-care-fee-reduction-subsidy-2023-24-increases-information-sheet>.

12 Unlike for infants and toddlers, the B.C. cities, like Richmond, do have a preschool age category that better matches the age ranges found elsewhere in the country.

13 Government of Canada, *Early Learning and Child Care Agreements*, <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories.html>.

14 Government of Canada, *Canada—Ontario Canada-wide Early Learning and Child Care Agreement*, www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/ontario-canada-wide-2021.html#h2.o.6.

15 It states, for example, “the provincial average for 2019 was \$33.25” in a benchmarking section. See Government of Canada, *Canada—New Brunswick Canada-Wide Early Learning and Child Care Agreement*, www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/new-brunswick-canada-wide-2021.html#h2.an.2

16 See Table 3 of David Macdonald and Martha Friendly, *In Progress: Child care fees in Canada 2019*, March 2020, Canadian Centre for Policy Alternatives, https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2020/03/In%20progress_Child%20care%20fees%20in%20Canada%20in%202019_march12.pdf.

17 The British Columbian government [publishes the list of \\$10-a-day centres](#). Combined with the licensed capacity, it is possible to calculate the proportion of full-time non-school age spaces those \$10 a day spaces make up in a given city.

18 Ministry of Education and Child Care, “Expansion of \$10 a day child care to benefit thousands more B.C. families,” June 2022, Government of British Columbia, <https://news.gov.bc.ca/releases/2022ECC0050-000973>.

19 Province of British Columbia, “\$10 a day childcare B.C. Centres: Policy and procedures manual 2023 expansion,” Appendix A <https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/running-a-daycare-or-preschool/10aday-policy-procedures-manual.pdf>.

20 Ministry of Education and Child Care, “Expansion of \$10 a day child care to benefit thousands more B.C. families,” June 2022, Government of British Columbia, <https://news.gov.bc.ca/releases/2022ECC0050-000973>.

21 David Macdonald and Martha Friendly, *Game Changer: Will provinces and territories meet the new federal child care fee targets? Canadian child care fees 2021*, May 2023, Canadian Centre for Policy Alternatives, pg 19, <https://policyalternatives.ca/gamechanger>.

22 Ministry of Education and Child Care, “Child Care Fee Reduction Initiative (CCFRI): Funding Guidelines 2023/24,” August 2023, pg 10, https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/ccfri_funding_guidelines_23_24.pdf.

23 See Figure 1 of David Macdonald and Martha Friendly, *In Progress: Child care fees in Canada 2019*, March 2020, Canadian Centre for Policy Alternatives, https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2020/03/In%20progress_Child%20care%20fees%20in%20Canada%20in%202019_march12.pdf.

24 Department of Finance Canada, “Budget 2021: A Canada-wide Early Learning and Child Care Plan Backgrounder,” <https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-a-canada-wide-early-learning-and-child-care-plan.html>.

25 Child Care Resource and Research Unit, *A Summary of the Canada-wide Early Learning and Child Care Agreements and Action Plan*, April 2023, <https://childcarecanada.org/publications/ecec-canada/23/04/summary-canada-wide-early-learning-and-child-care-agreements-and>.

26 See Figure 13 of David Macdonald and Martha Friendly, *Sounding the Alarm: COVID-19's impact on Canada's precarious child care sector*, March 2021, Canadian Centre for Policy Alternatives, <https://policyalternatives.ca/TheAlarm>.

27 This may represent either a direct profit line, higher facility costs, additional costs such as executives or communications or debt repayment, in the case of large corporate entities. See, for example, B.C. government, https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/running-a-daycare-or-preschool/prototype_sites_malatest_report_aug2020.pdf or Simon et al, <https://www.cambridge.org/core/journals/journal-of-social-policy/article/financialisation-and-private-equity-in-early-childhood-care-and-education-in-england/ACoB8FA41A918CBA3DBB4248928287F5>.

28 See Friendly et al., 2021, [Risky Business: Child care ownership in Canada past, present and future](#), Childcare Resource and Research Unit.

29 Although in Manitoba to be a set-fee centre, the centre must be non-profit.

30 David Macdonald and Martha Friendly, *Not done yet: \$10-a-day child care requires addressing Canada's child care deserts*, May 2023, Canadian Centre for Policy Alternatives, <https://monitormag.ca/reports/not-done-yet/>.



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