

In progress

Child care fees in Canada 2019

David Macdonald and Martha Friendly





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Executive Summary

THIS IS OUR sixth annual report examining child care fees in Canada's big cities. For each report we have surveyed full-time licensed providers about the child care fees they charge across three age groups: infants, toddlers and preschool-age children. We include both centres and licensed family care providers. For this year's report, we surveyed 37 cities across Canada in October 2019. With nine new cities added since our last survey, at least one city from every province and territory is represented this year.

Infant child care continued to be most expensive in Toronto, with a monthly median cost of \$1,774. This is over \$230 more per month than the next most expensive cities of Markham and Vaughan, suburbs of Toronto, where infant spaces cost \$1,541 and \$1,545, respectively. Like Toronto, the other six cities with the highest median fees for infant care (Vaughan, Markham, Oakville, Mississauga, Kitchener and Richmond Hill) are all in southern Ontario. The cities with the lowest fees for infant care are in Quebec (Gatineau, Laval, Montreal, Longueuil and Quebec City), where the median fee is the provincially set fee of \$179 a month. After those, Winnipeg is the next least expensive city—an infant space there is at Manitoba's set fee of \$651 a month.

For toddlers, Toronto again has the highest median fee in the country at \$1,457 a month. This is \$130 more per month than the next highest median fee, found close by in Markham. Again, other Toronto suburbs, including Richmond Hill, Vaughan and Oakville, cluster at the top of the toddler ranking, all charging more than \$1,200 a month, as do Iqaluit, Nunavut and

Richmond, British Columbia. In previous years, the cities of British Columbia's Lower Mainland were among those with the highest fees, but provincial fee reduction has kept some of them out of the top ranks this year. The cities with the lowest median toddler fees were in provinces with set fees. These include the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City, where child care fees were \$179 a month at the median. Winnipeg is again the next least expensive city, with a median fee of \$451 a month.

For preschool-age children, the highest median fee of \$1,213 was found in Iqaluit, Nunavut, which was an addition to our survey this year. Almost identical fees are found in Toronto and its suburb Oakville at \$1,207 and \$1,210 a month, respectively. Once again, the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City have the lowest preschool-age fees in the country at the set fee of \$179 a month. Next are cities in the other set-fee provinces, with Winnipeg at \$451 a month and Charlottetown at \$586 a month.

Of the 37 cities in our survey 25 had comparable data examining fees for not-for-profit and for-profit centres. In three-quarters of these cities, for-profit centres reported higher preschool-age fees than did not-for-profit ones. Whitehorse was the only city where not-for-profit centres reported significantly higher fees. In five of 25 cities, preschool-age fees were similar at for-profit and not-for-profit centres. But in 19 of 25 cities, or three-quarters, preschool-age fees at for-profit centres were at least 10% higher than at not-for-profit centres. In Calgary, Richmond, B.C., Richmond Hill, Ontario and Edmonton, preschool-age fees were 50% to 60% higher at for-profit centres than at not-for-profit centres, trends were similar in the other age groups.

In all the provinces with provincially set fees (Quebec, Manitoba, Prince Edward Island, and Newfoundland and Labrador), more than half of the centres are now operationally funded with set parent fees. A portion of the licenced centres continue to charge unregulated or market-based fees, and are not operationally funded. Quebec parents who use the province's market-fee centres, which are all for-profit, receive a rebate through a tax credit that can reimburse up to 90% of their child care fees depending on their income; at the median, roughly half of fees are reimbursed. In Quebec cities, between 24% and 34% of licensed spaces charge unregulated market fees, which at the median are four to six times higher than the provincial set fee. In Winnipeg, 6% of spaces charge market fees, which are two to two and a half times higher than the set fee, depending on the age group. St. John's, Newfoundland and Labrador became a majority set-fee city in 2019, but 39% of its licensed spaces are still at market rates, which are 10% to 40%

higher than the provincial set fee. Alberta and British Columbia both have operationally funded set-fee spaces with fees of \$25 a day and \$10 a day, respectively, but they represent only a small proportion of overall spaces.

Over the past almost 25 years, provincial governments have attempted to reduce child care fees. Quebec led the way in 1997, followed by Manitoba in 1999 and Prince Edward Island in 2010. Newfoundland and Labrador started a ten-year plan on child care in 2012. Between 2017 and 2019, Alberta and British Columbia began initiatives to reduce fees as did a number of Ontario municipalities.

In 2019, the biggest decrease in preschool-age fees was observed in St. John's, N.L., where fees have plummeted 24% since 2017 as more centres signed up for the province's set-fee program.

Some Ontario municipalities initiated "fee reduction pilot programs" using federal funding flowed through the provincial government. These pilots reduced fees by set amounts, which resulted in reductions of median preschool-age fees of 9% to 15% in Brampton, Hamilton and Windsor between 2017 and 2019. But the sustainability of these fee reduction pilots currently seems unlikely.

The province-wide fee reduction that British Columbia initiated in 2018 appears to have stopped net increases in fees between 2017 and 2019, but it hasn't substantially reduced net fees in the "over 3" age group. Net fees declined in the "under 3" age group in Burnaby and Vancouver, where most centres are not-for-profit. In Richmond and Surrey, however, fees for "0–3 years" increased despite the new provincial spending—they rose by the amount of the provincial "fee reduction." Thus, it is the centres and not parents who seem to be the beneficiaries of the so-called fee reduction in Richmond and Surrey, where most spaces are in for-profit centres.

This year's survey confirms the conclusion of our previous surveys: the lower child care fees that we see in some Canadian jurisdictions are due to public policy, not market pressures. It also illustrates how a variety of policy elements, such as fee regulation, auspice and levels of public funding, play a role in determining child care fees. Considering the accumulated data, it is our perspective that Canada needs a thorough examination and public debate about how child care is funded in Canada.

The annual fee surveys

This report is the sixth in the Canadian Centre for Policy Alternatives' series tracking Canadian child care fees. The annual fee survey series was initiated to provide and analyze comparable, consistent data on the fees parents (or other caregivers) pay for licensed child care across Canada. Beginning with the first survey in 2014, CCPA has annually surveyed centres and family child care providers in Canada's large cities to gather these data.

A strength of the surveys has been that the data have been collected using a consistent method, so year-to-year comparisons are possible. At the same time, additional questions and analyses have been added to a number of the surveys. For example, questions on centre wait lists and wait list fees have been asked several times, as have questions on auspice or ownership. As the number of provinces/territories using set fees and operational funding has grown, those jurisdictions' market fee child care services have also been surveyed to provide comparisons. In 2017, child care providers in rural communities in Ontario and Alberta were surveyed only in that year to answer the question: "Are child care fees in rural communities lower than in larger cities?" In 2015, a separate analysis was included to examine the out-of-pocket fees lower income families eligible for fee subsidies are asked to pay on top of government subsidies. As well, the number of cities included has grown since the first survey in 2014, which covered licensed child care only in Canada's 20 largest cities.

What's new this year?

This year's report, presenting 2019 data, includes several changes. First, nine new cities have been added for a total of 37. There are now cities from every province and territory with the recent addition of Whitehorse, Yellowknife and Iqaluit. Two large suburbs in the Greater Toronto Area (GTA) with high concentrations of child care have been added: Oakville and Richmond Hill. The survey has expanded in New Brunswick to include both Fredericton and Moncton. In British Columbia, Kelowna has been added to provide some perspective outside the Lower Mainland around Vancouver. In Alberta, Lethbridge, the city with the third most licensed child care spaces in the province after Edmonton and Calgary, has been added.

Second, this year's survey included a set of questions about centre ownership or auspice (for-profit or not-for-profit¹ status) to allow further examination of this topic.

Third, while previous surveys have asked about the presence of centre wait lists and the fees that many centres charge parents to be added to wait lists, this year we asked about the length of wait lists by age group instead.

Fourth, changes in fees have been calculated between 2019 and 2017, rather than 2019 and 2018. This is intended to better capture the effects of changes in government policy that were occurring in that period.

Finally, as the first round of bilateral agreements between the federal government and provinces/territories is scheduled to come to an end March 31, 2020, this report has a particular focus on those agreements and what we have learned about their impact on child care fees. This should help provide lessons that could be useful for the next round of federal child care funding to be transferred to provinces/territories, expected to begin in April 2020 (see the section on policy initiatives below).

This paper first presents the 2019 child care fees for the 37 cities surveyed, then other information collected in 2019 and comparisons with 2017. It then discusses the key policy initiatives—the federal funds through the Multilateral Early Learning and Child Care Framework (MFA) and provincial/territorial actions through the associated bilateral agreements—and what the data show about the effects of these on child care fees.

Methodology

WE CONDUCTED A phone survey of licensed full-day child care centres and home or family child care providers for children aged 0 up to the time they begin school² (anywhere between age four and six years, depending on the jurisdiction) in Canada’s big cities—37 this year. The survey’s main goal is to present the median full-time child care fee for each city for each of the three age groups: infants, toddlers and preschool-age children. All medians are weighted by the number of child care spaces; therefore the fees from a large centre with many spaces will have a larger influence on the median fee than a family child care provider with spaces for four children. If more than 50% of spaces in a city are charged at a provincial set fee, then that set fee is also the median for the city even if not all spaces are necessarily charged at that set fee.

From these data we then explore the changes from previous years’ fees and the impacts of policy initiatives on fees. In larger cities, the survey takes the form of a randomized sample while in smaller ones it entails a full census, as there are too few spaces to make a random sample a time-saving exercise. The methodology and coverage rates are available in *Table 6*. In total, more than 9,000 phone calls were made in the month of October 2019, with some follow-up calls made in December 2019.

The fees published in this report include any universal “fee reductions” that were active at the time. However, fees do not include any individual parent fee subsidies based on income or tax rebates that parents may have applied for and received. This means that the fees published exclude both

British Columbia’s redesigned child care fee subsidies (“Affordable Child Care Benefit”) and New Brunswick’s “Designated Centres.”³ Median fees do include any set-fee programs, no matter how limited their coverage. They also include the impact of Ontario municipal fee reductions where they existed (see description below) as well as British Columbia’s “Child Care Fee Reduction Initiative.”

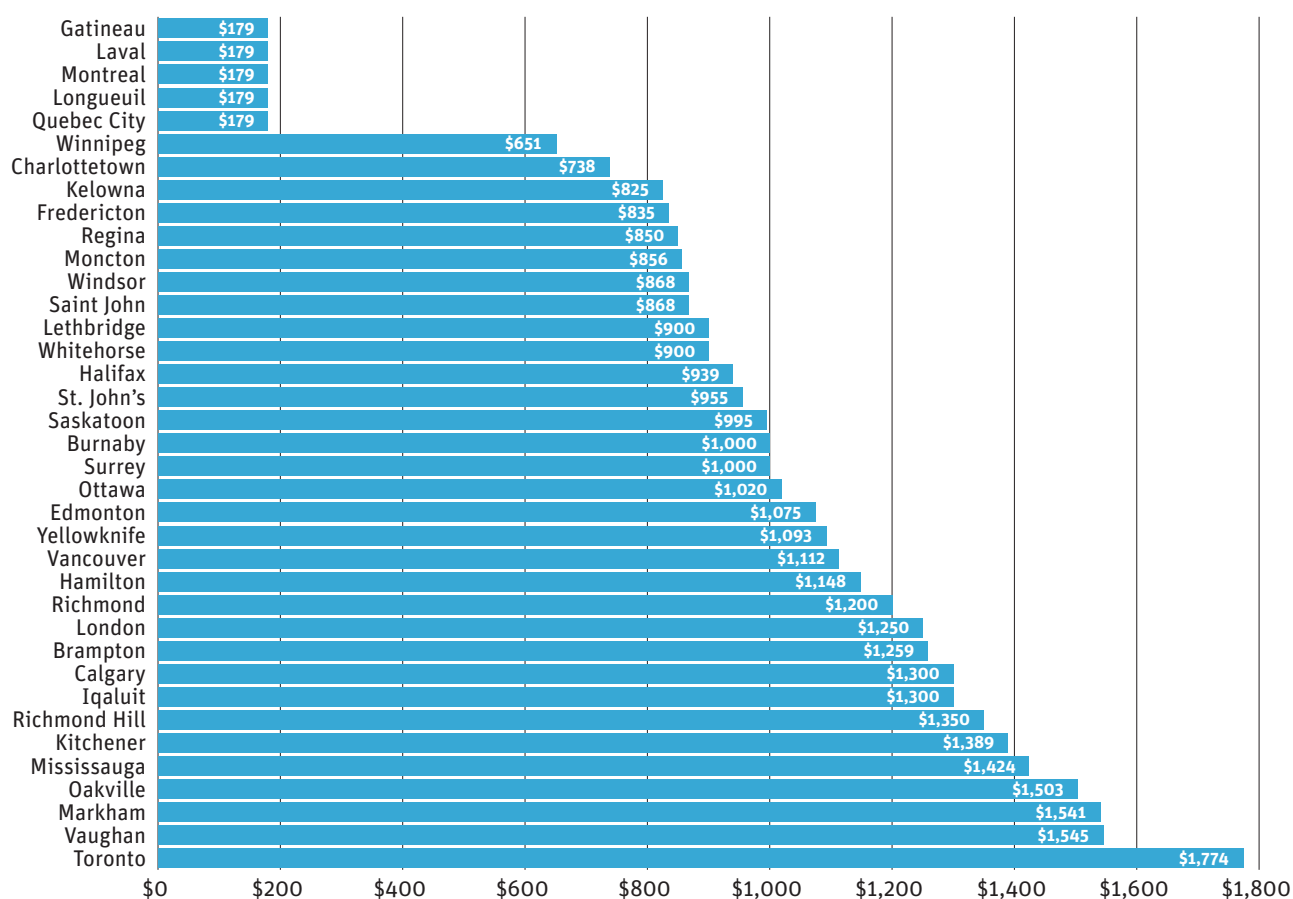
Infant fees

THE INFANT AGE category comprises children roughly under the age of two, although this varies somewhat by province.⁴ In British Columbia, there generally isn't an infant category at all but rather a 0–3 grouping that combines infants and toddlers into a single age category, usually with a common fee. This likely makes the fee for infants in B.C. cities slightly cheaper and the fee for toddlers slightly more expensive compared to other cities with disaggregated age categories.

The infant age category is numerically the smallest of the three in terms of the number of child care spaces everywhere in Canada. The cost to provide infant care is much higher because more adults are required per child, which may discourage providers from offering more spaces. Also, more parents tend to be off work to care for infants than for other age categories.

Cities in Quebec, Manitoba and Prince Edward Island are the least costly for parents of infants due to provincially set fees in centres and family child care in those provinces. At only \$179 a month, Quebec's cities of Gatineau, Laval, Montreal, Longueuil and Quebec City are the cheapest in the country. The disparity between Quebec cities and the rest of Canadian cities is at its largest for the infant category for two reasons. First, among the provinces that use provincially set child care fees, only Quebec charges parents a flat fee across the different age groups, whereas the other provinces using set fees differentiate them by age group. Second, market prices are generally the highest for infants everywhere in Canada.

FIGURE 1 Median infant fees in 2019 (monthly)



Note More detailed figures are available in the appendix table 5.

Thus, Winnipeg and Charlottetown, both in set-fee provinces, are much more expensive than cities in Quebec, but they are still cheaper than all cities with market fees for child care. It should be noted that St. John's median infant fee is also its set fee. As its set fee is relatively high, it ranks mid-range among Canadian cities and on par with many market-fee cities. And although St. John's median infant fee is at Newfoundland and Labrador's set fee, that fee is more expensive than those in the other set-fee provinces, putting St. John's in the middle of the pack.

The most expensive cities in the country for full-time infant care are in Ontario, where child care fees are market-based. Toronto's median infant fee is \$1,774 a month, over \$200 a month more than the next highest cities of Vaughan and Markham, both suburbs of Toronto. After Toronto, the next six highest median fees for infant care (Vaughan, Markham, Oakville, Mississauga, Kitchener and Richmond Hill) are all in southern Ontario.

Toddler fees

THE TODDLER AGE group extends from roughly age two to age three, depending on the province. As noted above, service providers in British Columbia cities don't differentiate between infants and toddlers; instead, a common fee is usually charged for all children aged 0–3 years. Iqaluit providers also don't charge a separate toddler fee; spaces for toddlers and preschool-age children there are at the same fee.

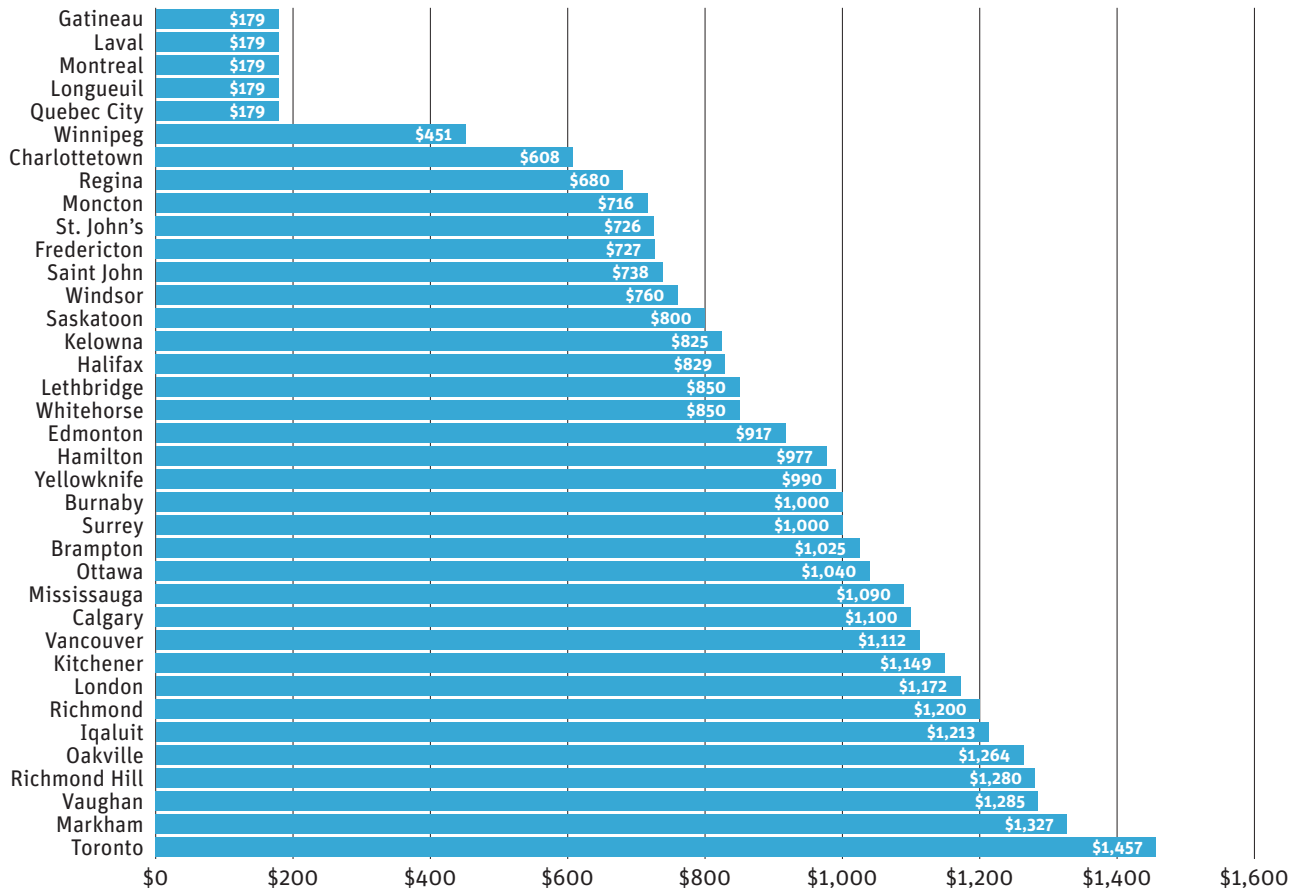
In general, there are more toddler spaces than infant spaces, although the largest group of spaces is for preschool-age children of approximately three years to school entry.

The lowest parental fees are again found in the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City, where parents pay \$179 a month. Winnipeg and Charlottetown are the next least expensive cities, also in set-fee provinces. Again, St. John's provincially set fee does not rank it with the other set-fee provinces; it is still more expensive than Regina, Saskatchewan and Moncton, New Brunswick, both market-fee cities.

Toronto remains the most expensive city for toddler spaces with a median monthly fee of \$1,457. This is over \$100 more than the next closest city, Markham. Again, several other Greater Toronto Area (GTA)⁵ suburbs including Richmond Hill, Vaughan and Oakville cluster at the top of the toddler ranking, all charging more than \$1,200 a month, as do the cities of Iqaluit, Nunavut and Richmond, B.C.

In previous years, Vancouver and its suburbs often jockeyed with GTA cities for the rank of most expensive toddler spaces in Canada. However, provincial

FIGURE 2 Median toddler fees in 2019 (monthly)



Note More detailed figures are available in the appendix table 5.

fee reductions in B.C., as noted above, have pushed Metro Vancouver cities out of the most expensive cities ranking for toddler care. This is discussed in more detail in the section on policy initiatives below.

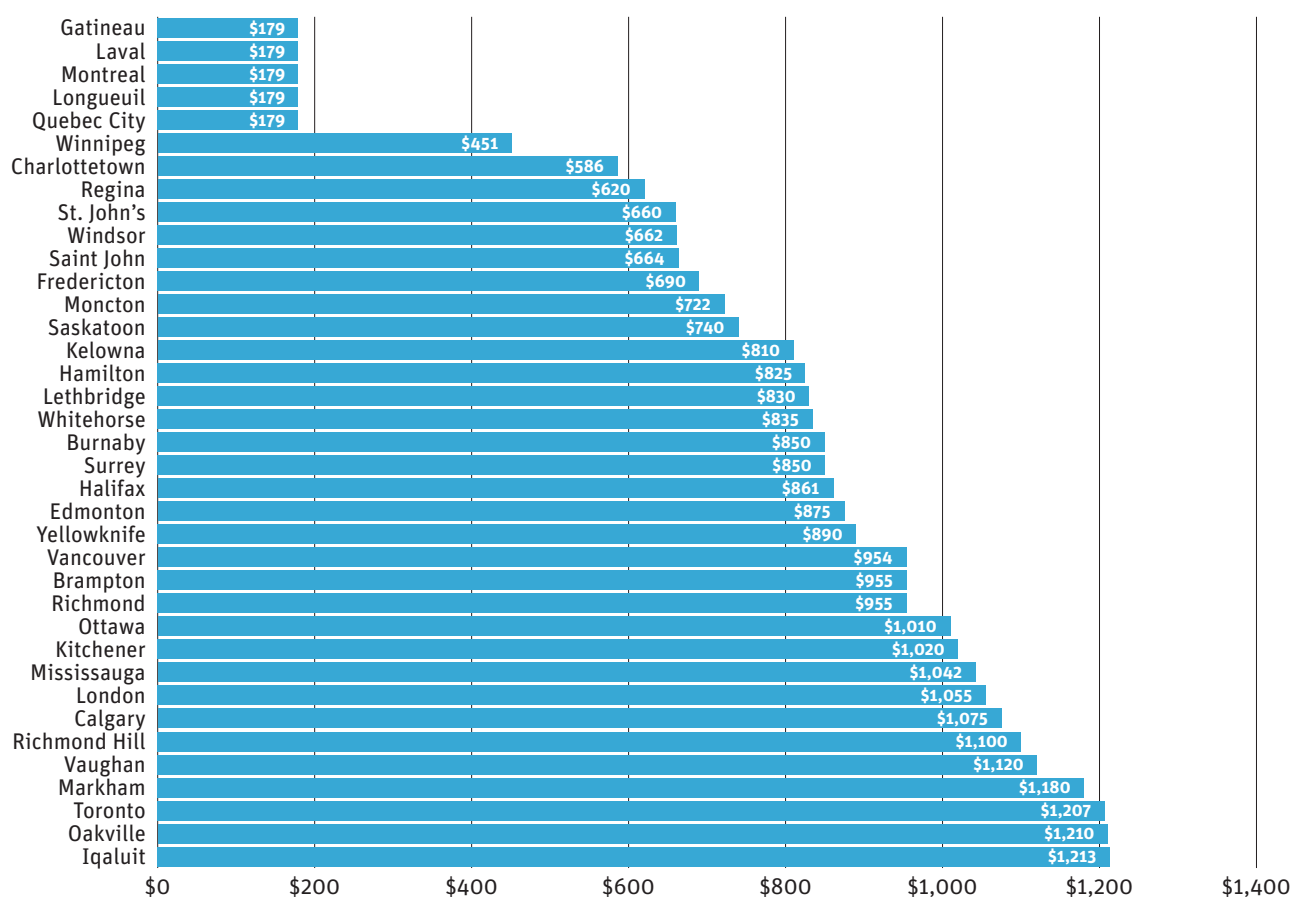
Preschool-age fees

THE PRESCHOOL-AGE RANGE extends from approximately age three until children begin attending public school. Preschool-age groups may or may not include kindergarten-age children. In several provinces, notably Ontario (where the preschool-age group begins at 2.5 years) and Nova Scotia, all four-year-olds are eligible to attend full-school-day public kindergarten programs,⁶ limiting the need for parents to pay for full-time licensed child care at that age. The preschool-age category contained the most spaces in every city we surveyed and is also the largest age category for spaces in licensed child care across Canada.

Once again, the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City have the lowest median fees in the country at \$179 a month. Next are cities in the other set-fee provinces: Winnipeg, Charlottetown and St. John's. Saskatchewan is not a set-fee province but Regina is nonetheless slightly cheaper than St. John's for preschoolers.

The most expensive city in our survey was Iqaluit, Nunavut, costing \$1,213 a month. This is the first year we have surveyed this northern capital, where child care is slightly more expensive than in the Ontario cities of Oakville (also a new city for 2019) and Toronto, both of which with preschool-age fees close to \$1,210 a month. Understanding child care costs in Canada's far north requires taking into account the very high cost of living in these remote communities and such factors as the high cost of importing materials and food and the difficulties associated with finding and sustaining appropriate staff.

FIGURE 3 Median preschool-age fees in 2019 (monthly)



Note More detailed figures are available in the appendix table 5.

Iqaluit has two important fee reduction programs that can lower fees for children whose parents are Inuit land claim beneficiaries. The Qikiqtani Inuit Association (QIA) parental subsidy⁷ amounts to \$10 a day. Separately, the Kakivak Association provides an additional \$19/day for Inuit children with similar criteria; this portion of the fee has been in place since the late 1990s. Eligible parents or other caregivers can stack the two fee reductions, thus receiving a \$29/day fee reduction (\$629 a month) or roughly half the median fee in Iqaluit. In some child care centres, half the children receive this full fee reduction. Child care in the other northern territory capitals of Yellowknife and Whitehorse is not nearly as expensive, sitting closer to the mid-range of Canadian cities.

After Iqaluit, the next three cities at the top of the preschool-age fee rankings are suburbs of Toronto: Richmond Hill, Vaughan and Markham.

Each have median monthly fees in the \$1,100 and \$1,200 a month range. The eleven cities with fees above \$1,000 for a preschool-age child include nine Ontario cities, Iqaluit and Calgary.

Length of wait lists

IN PREVIOUS SURVEYS, we asked providers whether they had wait lists and if they charged wait-list fees. With the exception of cities in Alberta, wait lists were ubiquitous, with all centres either maintaining them individually or participating in centralized lists.⁸ This year, to gain more insight into wait lists, we asked centres how many children they had on their lists broken down by age group (infant, toddler, preschool-age) where possible.

We have concluded that there are several difficulties with this approach. First, parents commonly place children on wait lists at multiple centres to improve the odds that they'll get a space. This means a single child is often counted multiple times across multiple centres. Second, in most cases, it isn't possible for a centre to know how many children on its wait list are still actually in need of a space. Despite these issues, we had hoped that a consistent survey might yield some insight into child care wait lists.

Unfortunately, the results of these questions were disappointing. While centres were able to say whether they maintained a wait list, the number of children on that wait list was often difficult to obtain and could vary wildly. Many centres did not have counts by age group or precise wait list counts of any kind. Some centres would report wait lists in the hundreds, while others in the same city would only report having five children on their lists. This wide variation in responses undermined any city-by-city comparisons.

The only broad trends that seemed evident are that many more children were waiting for infant and toddler spaces (as a proportion of those spaces) than preschool-age spaces. In general, there are many more spaces for

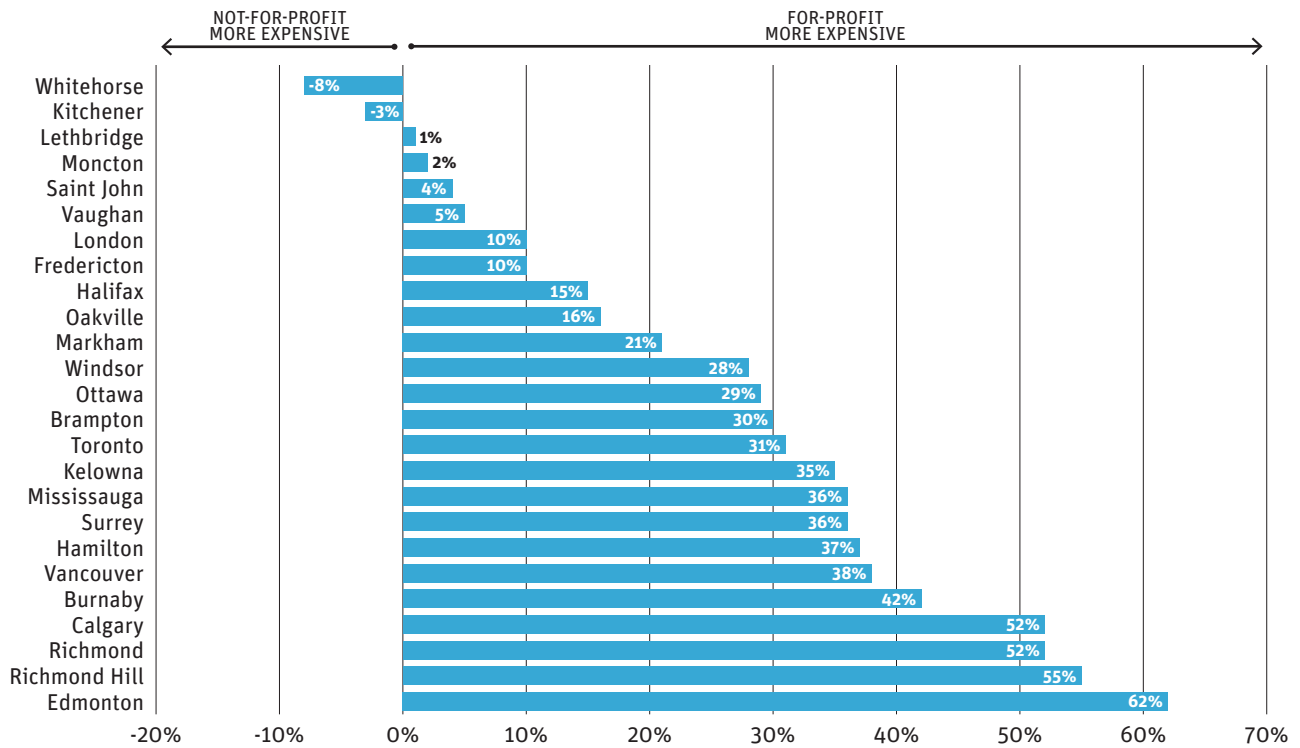
preschool-age children than there are for infants and toddlers, likely making wait lists for this older age group smaller. Also, children on infant and toddler wait lists might not immediately need that space but they may need it at some point in the future, as savvy parents put their unborn children on infant wait lists a year in advance. Ultimately, parents' wait-list question is one of time: "If I need a spot immediately, how long would I have to wait before one opened up at your centre?" The results from this year's survey suggest that centres simply can't answer this or related questions accurately. Surveying parents rather than child care providers may yield more useful results.

Fee differences between not-for-profit and for-profit centres

THIS YEAR'S SURVEY asked centres questions to determine whether they are not-for-profit or for-profit. The not-for-profit category includes both the very small number of publicly operated centres together with those operated by not-for-profit organizations. The calculations in this section exclude cities in provinces with set-fee regimes (Charlottetown, Winnipeg, St. John's and cities in Quebec), as well as Iqaluit, Yellowknife and cities in Saskatchewan as there are no, or very few, for-profit centres in those jurisdictions. In all other provinces/territories, comparable public funding is available to both not-for-profit and for-profit centres.⁹ This left us with 25 cities where comparisons were possible.

We found that for-profit centres generally charge more for preschool spaces than not-for-profit centres do. In 19 of the 25 cities for which we had data (76%), for-profit centres charged at least 10% more than not-for-profit centres. In the more extreme cases (Calgary, Richmond, Richmond Hill and Edmonton), for-profit centres' preschool-age fees were 50% to 60% higher than their not-for-profit counterparts. In five cities (Kitchener, Lethbridge, Moncton, Saint John and Vaughan), for-profits and not-for-profits were within

FIGURE 4 For-profit and not-for-profit preschool-age fees in centres in 2019



Note The cities in provinces with set-fee regimes were removed. Regina, Saskatoon, Iqaluit and Yellowknife have few for-profit centres and were also removed.

5% of one another on preschool-age fees. In the final city, Whitehorse, for-profit centres were 8% cheaper than not-for-profits. The trends are broadly similar for the other age groups in that for-profit centers are much more likely to have higher fees. However, in those younger age groups the differences can be larger between for-profit and not-for-profit fees. See appendix *Table 7* for a full breakdown.

Market fees in set-fee cities

THERE ARE NOW four provinces where at least half of the child care spaces are at a provincially set fee: Quebec, Prince Edward Island, Manitoba, and Newfoundland and Labrador. However, in all of these provinces there are still centres that operate outside the set-fee program.¹⁰ Generally, provinces determine which centres are eligible to be part of the set-fee/operating-funding sector. It is not mandatory for centres in any of these provinces to opt in, but centres that do opt in are required to charge the provincially set fee.

In all the set-fee cities in *Table 1*, less than half of the child care spaces are at market rates, which means that the median for all spaces is equal to the set fee. However, *Table 1* (below) isolates only the market-fee centres and calculates a separate median for them. The difference between the set fee and the market fee is largest in the Quebec cities, particularly for infants. Thus, parents are paying five to six times more for a market-fee infant space than they would for a set-fee infant space. The disparity is biggest in Quebec City where market fees for infant spaces are over six times more expensive than set fees (for preschool-age children they are five and a half times more expensive). The gap is smallest in Montreal and Laval with infant spaces costing five times more and preschool-age spaces costing four and a half times more in the for-profit system. The Quebec cities have a large proportion of market-fee spaces, roughly totalling a third of all licensed spaces with the largest for-profit market being in Laval and the smallest being in Gatineau.

TABLE 1 Median market vs set fees in set-fee provinces (monthly, 2019)

City	Market fee			Set fee			% of spaces at market fee
	Infant	Toddler	Preschool-age	Infant	Toddler	Preschool-age	
Gatineau	\$998	\$933		\$179			24%
Laval	\$911	\$825		\$179			37%
Montreal	\$911	\$825		\$179			35%
Longueuil	\$977	\$846		\$179			32%
Quebec City	\$1,085	\$982		\$179			31%
Winnipeg	\$1,675	\$1,031	\$963	\$651	\$451	\$451	6%
St. John's	\$1,085	\$977	\$955	\$955	\$726	\$660	39%

Quebec's set-fee/operating-fund regime includes both not-for-profit *Centres de la petite enfance* (CPEs) and for-profit *garderies*. The additional for-profit, market fee sector (termed "non-contribution" *garderies*) does not receive operating funds, but parents are reimbursed a substantial portion of their fees as a tax credit under a separate fund.

Winnipeg has a small proportion of spaces (6%) charging market fees. However, those market fees range from two to two and a half times higher than Manitoba's set fees, depending on the age group.

There are centres in Charlottetown that do not charge the provincial set fee. However, there is little difference between the market fee and the set fee in that city.

Newfoundland and Labrador is in the process of becoming a set-fee province as part of a ten-year provincial plan that started in 2012. 2019 was the first year that more than half of St. John's child care spaces were under the set-fee regime. As the city transitions, there remain 39% of spaces that are still charging market fees, including licensed family child care, which is ineligible for the operating funding. The difference between set fees and market fees is much smaller in St. John's compared to the other cities in *Table 1*. This is particularly true for infants, where the median market fee is only 14% higher than the set fee. This is in large part due to the fact that the Newfoundland and Labrador set fee for infants is much higher than other set-fee provinces. And for toddler and preschool-age spaces, St. John's market fee is still somewhat higher at 35% and 45% higher, respectively. However, St. John's set fees across all age groups are higher than other set-fee provinces. For example, for a full-time preschool-age child care space,

the fee is \$660 in St. John's vs \$451 in Winnipeg or \$179 in Montreal. This reduces the difference between market fees and set fees, ultimately costing parents more, as Newfoundland and Labrador's set fees are not as generous as those in other provinces.

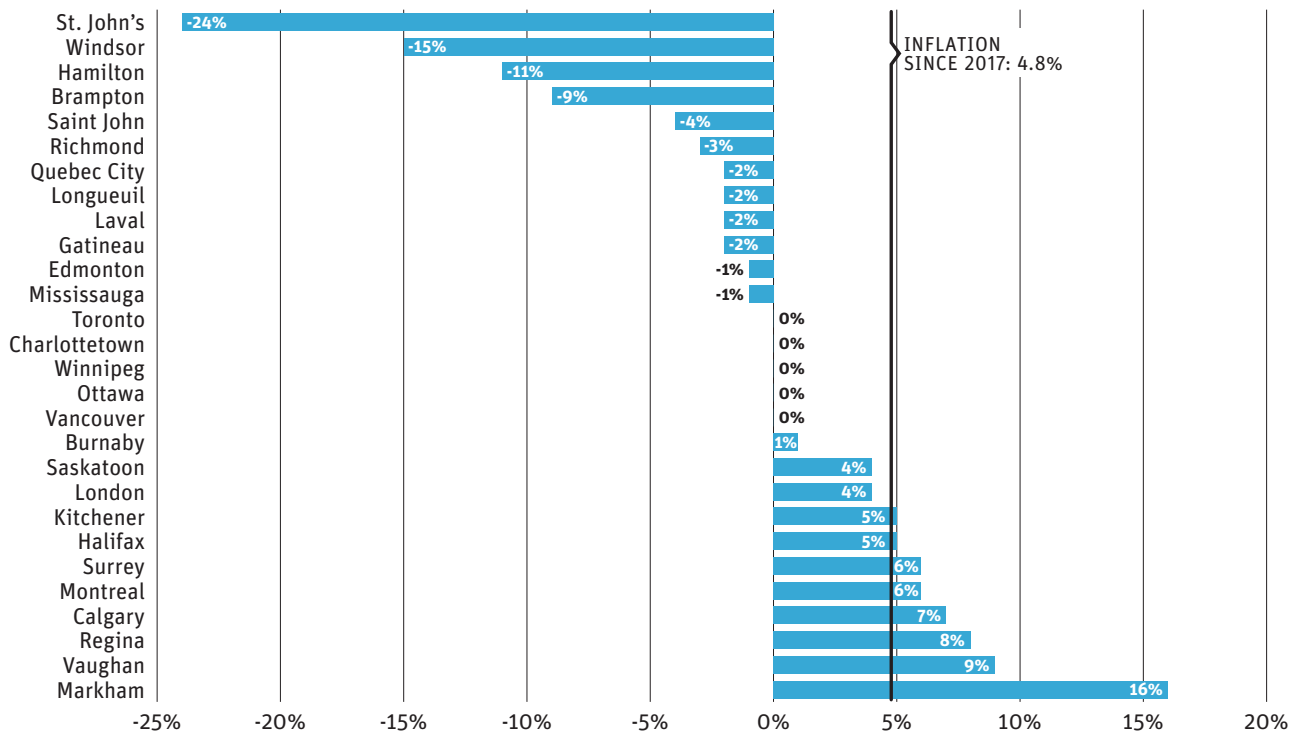
Impact of policy changes on fees between 2017 and 2019

RATHER THAN COMPARING 2019 fees to those in 2018, we've gone back one more year to 2017, as this captures the entire range of the first phase of federal child care funding that began in 2018. As we noted earlier, the first round of three-year federal/provincial/territorial agreements will end March 31, 2020, but it is anticipated (though not certain) that arrangements will be in place between the federal government and provinces/territories to prevent a hiatus in transferred federal funding. As noted above, several provinces used this federal funding to attempt to lower child care fees.

Figure 5 tracks the impact of those policy changes on median preschool-age fees. This section refers to preschool-age fees unless otherwise noted.

Between 2017 and 2019, the largest change in preschool-age fees was in St. John's. In 2017, the median preschool-age fee in St. John's was still a market fee, although Newfoundland and Labrador was adding centres to its set-fee "Operating Grant Program." By 2019, the median fee became the set fee, with 61% of St. John's spaces now being set-fee spaces. This resulted in a 24% drop in median preschool-age fees over that two-year period. That drop was a direct result of the ten-year provincial child care plan. While the plan does not rely solely on the federal bilateral funding, the federal funding may have strengthened the effects of the plan.

FIGURE 5 Change in preschool-age fees between 2017 and 2019



The Ontario cities of Windsor, Hamilton and Brampton all saw preschool-age fees fall. Their 2019 fees were between 9% and 15% lower than their 2017 fees. These significant declines can be attributed to fee reduction programs put in place by municipal governments and funded through federal money flowed through the province. Those three cities had among the most generous fee reductions for preschool-age children. London’s fee reduction was also generous, but it was cancelled at the end of 2018 and therefore doesn’t show up in our 2017/2019 comparison. Mississauga saw the same fee reduction as Brampton, as they are both in Peel Region, but it didn’t experience as large a drop in net fees because its underlying preschool-age fees were rising faster. Whether or not the Ontario municipal fee reduction programs will end when the first phase of three year bilateral agreements expire March 31st, 2020 has been uncertain for some time and now seems unlikely.

Toronto and Ottawa saw little change in fees over this period—they did not implement fee reduction programs between 2017 and 2019. London and Kitchener, which, as we noted, had a small reduction in preschool-age fees, saw their fees rise at the rate of inflation. Meanwhile Vaughan and

Markham, without fee reduction programs, saw fees there rise at 9% and 16%, respectively—far faster than inflation.

The cities in Quebec saw slight declines in their 2019 median fees compared to 2017. In 2017, a sliding fee scale based on income was in effect and this had affected our calculations. The median fee was evaluated at the median family income for families with children under five. This was slightly above the lowest possible Quebec fee. When the sliding scale was eliminated in 2019, reverting to a flat fee per child, Quebec families saw a slight decrease in the median fee overall.

The other province implementing a fee reduction was British Columbia. Those fee reductions of \$100 a month for centres and \$60 a month for family child care were implemented in the spring of 2018 but weren't increased in 2019. Operators who opted in and subsequently wanted to increase their fees had to have those increases approved by the province. However, how or when the province disallowed or restricted fee increases is not clear; there were no across-the-board rules on how large a fee increase may be. Instead fee increases were approved on a service-by-service provider basis.

The net result for preschool-age fees in B.C. appears to be that the fee reduction merely offset the inflationary increases to fees between 2017 and 2019. In other words, net fees remained roughly unchanged from their 2017 levels in Vancouver, Burnaby and Richmond despite the new provincial funding. The outlier was Surrey where preschool-age fees increased faster than inflation despite the fee reduction, although Surrey's median fee of \$850 a month is at the low end for the B.C. cities surveyed.

The fee reduction in B.C. centres was \$350 a month for 0–3-year-olds but only \$100 a month for older children. *Table 2* examines the change in fees for the younger age group. Here a larger impact might be seen than in *Figure 5*, which examines preschool-age fees. Burnaby and Vancouver saw a more than \$200/month decline in net fees between 2017 and 2019. However, the other two B.C. cities surveyed—Surrey and Richmond—saw almost no change in fees over the same period. It seems that fees were allowed to rise quickly in those cities, so the increases ultimately swallowed up any benefit to parents from the fee reduction.

It is of note that the two cities (Vancouver and Burnaby) that had notable net fee declines for ages 0–3 have a higher proportion of their spaces in not-for-profit centres. The two cities with no fee declines have much smaller proportions of not-for-profit spaces; most of their spaces are in for-profit centres. It may be that for-profit centres were more likely to ask for and receive permission to set fee increases from the province. As such, those

TABLE 2 Monthly child care fees for children aged 0–3, B.C. only

City	2017 median fee	2019 median fee	Change	% of spaces that are not-for-profit (2019)
Burnaby	\$1,242	\$1,000	-\$242	48%
Vancouver	\$1,347	\$1,112	-\$235	80%
Richmond	\$1,200	\$1,200	\$0	31%
Surrey	\$950	\$1,000	\$50	15%

Note The 2017 figures are a re-examination of the 2017 fee data consolidated into a 0–3 age range.

for-profit providers received the benefit of the fee reduction through higher fees instead of parents receiving the benefit.

It seems that rapidly increasing fees in B.C. have not gone unnoticed by provincial policy makers. In January 2020, the Ministry of Children and Family Development released new guidelines on fee increases, although there are still not hard and fast limits.¹¹ In addition, the ministry has promised to publish approved provider fees online as a way of ensuring compliance.

It is of note that Australia recently attempted a similar approach of providing fee reductions to parents without capping fees. It is reported that only 18 months after the approach’s introduction, rapidly increasing child care fees had consumed the full value of the fee reduction.¹² As such, Australian parents, like many B.C. parents, were no further ahead despite substantial government intervention in funding child care.

Policy initiatives: new funding and fee reductions in provinces/territories

In June 2017, the federal government announced a new Multilateral Framework Agreement (MFA) on Early Learning and Child Care to shape child care across Canada. A bilateral agreement for an initial three-year period was negotiated with each province and territory except Quebec to support child care initiatives in each jurisdiction. The bilateral agreements were signed over an almost two-year period, so the start dates were quite varied but the end date for all of the first phase agreements is March 31, 2020. The MFA includes five principles upon which the federal government and provinces/territories agreed: accessibility, affordability, quality, inclusiveness and flexibility. Otherwise there were few restrictions¹³ on how the new federal funds could be used. Provinces and territories (except Quebec) were required

to develop a child care “action plan” identifying how their use of federal funds would be tailored to different elements of their plans and how they would relate to the MFA five principles.

The provinces and territories each developed action plans outlining how they would use the funds. These used a common format but otherwise varied across the country.¹⁴ This has led to a number of experiments in child care funding for which several years’ worth of data are now available. In several provinces and territories, some of the federal child care funding was devoted to reducing parent fees while in others it was not.

This section examines in more detail the two main approaches to lowering fees that provinces and territories used in this period and before: “fee reduction” and “set fees with operational funding.”

The first approach provides a rebate or fee reduction to parents of a set amount, no matter what the basic or underlying fee is. This effectively reduces the net fee paid by parents. These reductions do not affect the basic child care fee, which can still rise, sometimes with regulatory oversight, sometimes not. Fee reductions can quickly be eliminated if policy agendas change or funding runs out.

The fee reduction approach was used in both British Columbia and Ontario cities. In B.C., it was a provincial government initiative while in Ontario it was an initiative of individual municipalities. In B.C.’s case, the fee reduction plan pre-dated the federal–provincial bilateral agreement and B.C. outspent the federal bilateral money by a ratio of seven to one on child care in that province.¹⁵ In Ontario’s case, municipally initiated and administered fee reduction strategies were explicitly tied to the federal money. Municipalities in Ontario trying to balance their budgets have encountered uncertainty from the provincial government about whether or not these funds will continue. In contrast, the fee reduction program in B.C. is not expected to be affected by the end of the first phase of the bilateral agreements and the beginning of the next phase.

Ontario, which has seen a number of municipal fee reduction programs, is the sole Canadian province in which municipalities play a key administrative, funding and policy role in child care. London was one of the first Ontario cities to create a fee reduction pilot program in the second half of 2018. Although its fee reduction didn’t last into 2019, other cities in our survey created their own programs by drawing on this prototype. Depending on the city, the reductions sometimes vary by age and sometimes are constant across the age groups. The most generous program is in Peel Region, where Mississauga and Brampton are located, providing a \$12/day per child reduction in centres across all age

TABLE 3 Fee reduction initiatives by city 2018-2019

City	Infant	Toddler	Preschool-age
(Peel Region) Mississauga & Brampton ^{16,17}	\$12/day in centres \$6/day in licensed family child care	\$12/day in centres \$6/day in licensed family child care	\$12/day in centres \$6/day in licensed family child care
Hamilton ¹⁸	\$10/day	\$10/day	\$10/day
(Waterloo Region) Kitchener ¹⁹	\$10/day	\$3/day	\$2/day
London ²⁰ (note that this fee reduction program ended Dec 31, 2018)	\$7/day	\$7/day	\$7/day
Windsor ²¹	\$6/day	\$6/day	\$6/day
All B.C. cities ²²	\$17.50/day in centres \$10/day in licensed family child care		\$5/day in centres \$3/day in licensed family child care

groups. In March 2020, it was announced that this program would be canceled by April 30th, 2020. The smallest fee reduction is available in Kitchener (Waterloo Region), worth \$2/day for preschool-age children. It now seems likely that due to provincial cuts, these Ontario fee reduction programs may not be continued. A number of the Ontario cities included in this survey, including Ottawa, Vaughan, Markham and Toronto, had no specific fee reduction strategies associated with the federal money in 2018 or 2019.

Since 2019, British Columbia has used both fee reduction and set fees with operational funding to reduce parent fees. The fee reduction is a province-wide initiative that all centres and homes may opt into if they agree to the conditions. In contrast to Ontario, B.C.'s fee reduction program is provincial and doesn't change based on the city. At \$17.50/day per child, the B.C. fee reduction strategy that began in the spring of 2018 is more generous for children 0–3 years than any of the Ontario municipal programs. However, the B.C. fee reduction is less generous for children over three years of age than fee reduction programs in some of the Ontario cities. The B.C. fee reduction program does not have a specific end date, although its funding to services must be renewed through an annual application. The province reports no plans to either end or increase the amount of the fee reduction. As we'll see below, the basic/underlying fees have continued to increase in some instances in B.C.

There are also 53 “prototype” sites in B.C. that are testing a set fee of \$10/day and receiving operational funding.

The other broad approach to reducing fees has been an operational funding approach with a set fee. The first and most ambitious of these programs is in Quebec, which began in 1997 at a \$5/day parent fee. The provincial government

had increased those fees to \$8.25/day by 2019. Between 2014 and 2019, Quebec used a sliding fee scale; in this period, fees could be as high as \$21.95/day, based on income. However, a flat \$8.25/day fee was re-established in the fall of 2019 and made retroactive to the start of 2019. As we have already noted, in addition to these funded set-fee centres (*garderies* and *Centres de la petite enfance*), Quebec also has another *garderie* (for-profit) market sector for which parents receive a tax credit funded through a separate provincial fund. Between 24% and 37% of centre spaces charge market-based rates in Quebec's big cities. These rates were examined in the section on market-based child care fees.

Manitoba also funds most of its child care operationally and sets fees, although at a higher level than Quebec. Unlike Quebec, Manitoba has different fees for different age groups. Manitoba's set fees are lower in family child care and higher in centres, particularly for infants. Almost all licensed spaces in Winnipeg are in the set-fee system, with only 6% operating at market fees. These are also examined in the section on market fees.

Prince Edward Island also uses an operationally funded set-fee system, as well as a provincially set salary scale, in its Early Years Centres. Its fees are set higher than Manitoba's, although still generally lower than those found in cities with market-based fees. P.E.I.'s set fees vary by age group; 30% of spaces are not at the set fees in *Table 1*, although little difference exists between set fees and market-based fees in Charlottetown.²³

As we noted earlier, St. John's joined the list of operationally funded set-fee cities in 2019. Since 2014, Newfoundland and Labrador has slowly been rolling out its 10-year child care strategy. Part of that strategy is an "Operating Grant Program" (OGP) that centres (but not family child care providers) can access. In our 2018 survey, just under half of all licensed spaces in St. John's were in the OGP. In this 2019 survey, the OGP included more than half (61%) of spaces in St. John's now in the set-fee system. Thus, in 2019, Newfoundland and Labrador is now the fourth province to have primarily set fees for child care. As we noted, despite the fact that the fees are set, they are the most expensive among the set-fee provinces. This is particularly true for infants at \$44 a day²⁴—a fee so high that it is on par with some of the smaller Ontario market-fee cities.

The set fee is also the median fee for cities we surveyed in the four set-fee provinces because more than 50% of the spaces in those cities are at the set fee. Both B.C. and Alberta have some set-fee spaces, but they represent nowhere near half the spaces. Thus, the set fee (\$10/day in B.C. and \$25/day in Alberta) is not the reported median for each city in those provinces, although they are included in the median calculations.

TABLE 4 Set fees by city (2019)

City	Infant fee	Toddler fee	Preschool-age fee	% of spaces at set fee
Gatineau, Quebec	\$8.25/day	\$8.25/day	\$8.25/day	76%
Laval, Quebec	\$8.25/day	\$8.25/day	\$8.25/day	63%
Montreal, Quebec	\$8.25/day	\$8.25/day	\$8.25/day	65%
Longueuil, Quebec	\$8.25/day	\$8.25/day	\$8.25/day	69%
Quebec City, Quebec	\$8.25/day	\$8.25/day	\$8.25/day	69%
Winnipeg, Manitoba	\$30/day centre \$22.20/day family child care	\$20.80/day centre \$18.20/day family child care		94%
Charlottetown, P.E.I.	\$34.00/day	\$28.00/day	\$27.00/day	60%
St. John's, Newfoundland and Labrador ²⁹	\$44/day	\$33/day	\$30/day	61%
Calgary, Alberta	\$25/day	\$25/day	\$25/day	7%
Edmonton, Alberta	\$25/day	\$25/day	\$25/day	7%
Burnaby, B.C.	\$10/day	\$10/day	\$10/day	4%
Kelowna, B.C.	\$10/day	\$10/day	\$10/day	3%
Richmond, B.C.	\$10/day	\$10/day	\$10/day	1%
Surrey, B.C.	\$10/day	\$10/day	\$10/day	3%
Vancouver, B.C.	\$10/day	\$10/day	\$10/day	5%

In both Edmonton and Calgary, 7% of the licensed spaces, including licensed family child care spaces, are provincially set at \$25/day. While \$25/day is roughly half the median fee in those cities, the coverage rates in the set-fee centres have remained low. There being relatively few of those spaces means that relatively few parents can gain access to child care at the lower fees. The creation of the \$25/day spaces pre-dated the federal transfer payments and was an initiative specified in Alberta's action plan. As in Ontario, there is uncertainty in Alberta about the future of these reduced fees. As the first phase of federal funding was coming to an end, the Alberta government suggested that the federally funded portion of this set-fee program may also end.²⁵

As we noted above, British Columbia has introduced a number of "prototype" operationally funded centres. This program was initially slated to end March 31, 2020²⁶ although at the time of writing it had been extended until April 2021.²⁷ At a fee of \$10/day, these are not far above Quebec's²⁸ current set fee of \$8.25/day. However, while these fees are quite low, few parents can access them at this point: in no B.C. city does this low fee apply to more than 5% of licensed spaces, including family child care spaces.

Conclusion

THE SIX YEARS since the CCPA began publishing our annual child care fee survey has been a time of considerable policy activity in this area. Since the first survey, published in 2014, Canadians have voted in a new federal government, replacing the Harper Conservatives with the Trudeau Liberals, who have re-engaged in child care. In the same period there have been changes in provincial/territorial governments, each with its own child care policies and strategies. A federal–provincial/territorial Multilateral Framework Agreement on Early Learning and Child Care (MFA) was announced in June 2017, supported by an 11-year federal funding commitment set out in the 2017 federal budget. Within two years of announcing the MFA the federal government reached bilateral funding agreements with each province and territory. The bilateral agreements included action plans to advance the MFA’s principles of accessibility, affordability, quality, inclusiveness and flexibility. These bilateral agreements expire on March 31, 2020. New agreements are expected to replace them, but the details about these negotiations are in short supply at the time of writing.

With this year’s fee survey, we now have six years of data and analysis on child care fees across Canada. It has become evident that child care fees in Canada are lowest when services receive substantial public operational funding and the fees are set as a matter of public policy. In provinces where fees are set for some child care services while for others they remain unregulated, the unregulated, market fees are always considerably higher than the set fees.

One of the issues addressed in this report is the MFA's impact on child care fees. Although affordability is one of the MFA's principles, only some provinces/territories (and in Ontario, some municipalities) actually used the federal funds transferred through the bilateral agreements to reduce parent fees. Also, certain provinces/territories already had in place "affordability" strategies of their own, some of which had been in place for some time. Among those jurisdictions that did apply the federal funds to child care fees, in some instances too few centres were affected to properly analyze the impact of the measures (for example, the very few "prototype" \$10/day centres in British Columbia). It is also evident that some of the fee reductions could be fleeting, as small-scale pilot projects are susceptible to being shut down when governments or their priorities change.

For all these reasons, at best the impact federal funding (the MFA and bilateral agreements) has had on child care fees and "affordability" has been mixed. For example, British Columbia's fee reduction program, which provided some operational funds for services but also gave service providers permission to raise fees rather than follow a set fee, had mixed results. Newfoundland and Labrador's set fees remain high relative to those in other provinces with set fees, even though the province has a ten-year plan to operationally fund centres and set fees using both provincial and federal funding.

Clearly, accomplishing "affordability" requires that public policy address some key questions.

First, what is the relationship between reduced fees and affordability? While reducing child care fees is desirable, it does not necessarily make them "affordable" to parents. Ontario research by Gordon Cleveland in 2018 defined "affordability" using economic modelling that could be built on across Canada.³⁰

Second, what is the best way to use public funding to make child care affordable? There are different kinds of fee reduction mechanisms in Canada as well as parent fee subsidies, other demand-side schemes and different models of operational funding. Several provinces (Quebec, Manitoba and Prince Edward Island) now have significant experience with operational funding and set fees. It is time to fully analyze these different approaches in Canada and elsewhere and apply lessons in a more consistent way.

Third, what other factors make child care more or less affordable? As this paper discusses, factors such as auspice, fee regulation and levels of public funding all impact child care fees.

Fourth, what is the relationship between fees and other aspects of child care policy? There is a close and unambiguous connection between child care fees and child care staff remuneration (and thus quality and recruitment/retention) and also between fees and the accessibility/availability of services. For example, what difference does it make that Prince Edward Island's set fee is linked to the province's set salary scale? Good comprehensive child care policy must be designed to address affordability, quality and accessibility simultaneously because the three are interconnected.

This annual fee survey confirms the conclusion of our previous fee surveys—that lower child care fees in Canada are due to public policy, not market pressures. However, it is important to go beyond this conclusion and recognize that sound, evidence-based public policy is also key to building accessible, high-quality and inclusive early learning and child care for all across Canada. We urge a significant examination of all these issues through a full public debate on child care funding in Canada to inform future policy.

Appendix tables

TABLE 5 Detailed monthly fee data, 2019

City	Province	All fees (median)			Centre fee (median)			Family fee (median)		
		Infant	Toddler	Preschool-age	Infant	Toddler	Preschool-age	Infant	Toddler	Preschool-age
Vancouver	British Columbia	\$1,112		\$954	\$1,112		\$950	\$1,275		\$1,290
Richmond	British Columbia	\$1,200		\$955	\$1,283		\$955	\$1,000		\$938
Burnaby	British Columbia	\$1,000		\$850	\$1,000		\$835	\$1,000		\$950
Surrey	British Columbia	\$1,000		\$850	\$1,050		\$875	\$922		\$800
Kelowna	British Columbia	\$825		\$810	\$825		\$800	\$850		\$830
Calgary	Alberta	\$1,300	\$1,100	\$1,075	\$1,350	\$1,175	\$1,075	\$920	\$880	\$820
Edmonton	Alberta	\$1,075	\$917	\$875	\$1,100	\$950	\$875	\$830	\$830	\$830
Lethbridge	Alberta	\$900	\$850	\$830	\$1,025	\$900	\$830	\$750	\$650	\$700
Saskatoon	Saskatchewan	\$995	\$800	\$740	\$1,000	\$800	\$740	\$805	\$760	\$700
Regina	Saskatchewan	\$850	\$680	\$620	\$890	\$680	\$615	\$800	\$700	\$650
Winnipeg	Manitoba	\$651	\$451	\$451	\$651	\$451	\$451	\$482	\$395	\$395
Windsor	Ontario	\$868	\$760	\$662	\$868	\$749	\$662	\$977	\$977	\$846
London	Ontario	\$1,250	\$1,172	\$1,055	\$1,250	\$1,189	\$1,063	\$1,009	\$1,009	\$955
Kitchener	Ontario	\$1,389	\$1,149	\$1,020	\$1,495	\$1,182	\$1,008	\$1,253	\$1,139	\$1,139
Hamilton	Ontario	\$1,148	\$977	\$825	\$1,221	\$1,017	\$825	\$1,063	\$937	\$937
Brampton	Ontario	\$1,259	\$1,025	\$955	\$1,520	\$1,058	\$955	\$1,020	\$1,020	\$868
Mississauga	Ontario	\$1,424	\$1,090	\$1,042	\$1,669	\$1,107	\$1,046	\$1,042	\$1,042	\$1,042
Oakville	Ontario	\$1,503	\$1,264	\$1,210	\$1,541	\$1,302	\$1,210	\$1,148	\$937	\$937
Richmond Hill	Ontario	\$1,350	\$1,280	\$1,100	\$1,580	\$1,303	\$1,125	\$1,010	\$1,010	\$819
Vaughan	Ontario	\$1,545	\$1,285	\$1,120	\$1,545	\$1,285	\$1,120	\$1,063	\$1,063	\$911
Toronto	Ontario	\$1,774	\$1,457	\$1,207	\$1,934	\$1,580	\$1,280	\$1,063	\$1,047	\$968
Markham	Ontario	\$1,541	\$1,327	\$1,180	\$1,580	\$1,327	\$1,180	\$977	\$977	\$738
Ottawa	Ontario	\$1,020	\$1,040	\$1,010	\$1,550	\$1,280	\$1,062	\$895	\$1,020	\$890
Gatineau	Quebec		\$179							
Laval	Quebec		\$179							
Montreal	Quebec		\$179							
Longueuil	Quebec		\$179							
Quebec City	Quebec		\$179							
Iqaluit	Nunavut	\$1,300		\$1,213	\$1,300		\$1,213	\$1,411		\$1,302
Yellowknife	Northwest Territories	\$1,093	\$990	\$890	\$1,150	\$990	\$760	\$1,085	\$1,085	\$1,085
Whitehorse	Yukon	\$900	\$850	\$835	\$900	\$850	\$850	\$938	\$750	\$750
Saint John	New Brunswick	\$868	\$738	\$664	\$868	\$738	\$664	\$0	\$694	\$694
Moncton	New Brunswick	\$856	\$716	\$722	\$856	\$716	\$722	\$760	\$651	\$716
Fredericton	New Brunswick	\$835	\$727	\$690	\$846	\$727	\$690	\$760	\$760	\$651
Halifax	Nova Scotia	\$939	\$829	\$861	\$960	\$847	\$861	\$868	\$760	\$760
Charlottetown	Prince Edward Island	\$738	\$608	\$586						
St. John's	Newfoundland and Labrador	\$955	\$726	\$660	\$955	\$716	\$660	\$1,085	\$977	\$868

TABLE 6 Survey Methodology by City

City	Province	% of licensed spaces surveyed	Survey methodology used
Vancouver	British Columbia		A random sampling of centre spaces and all family child care providers were called
Richmond	British Columbia	71%	All centres and all family child care providers were called
Burnaby	British Columbia	68%	All centres and all family child care providers were called
Surrey	British Columbia	66%	All centres and a sample of family child care providers were called
Kelowna	British Columbia	69%	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	70%	All centres and family child care agencies were called
Saskatoon	Saskatchewan	76%	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.
Regina	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.
Winnipeg	Manitoba		Fixed fees centres (<2 yrs:\$30/day, 2yrs -5 yrs:\$20.80/day)
Windsor	Ontario	69%	All centres and family child care agencies were called
London	Ontario	88%	All centres and family child care agencies were called
Kitchener	Ontario	83%	All centres and family child care agencies were called
Hamilton	Ontario	79%	All centres and family child care agencies were called
Brampton	Ontario	72%	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	73%	All centres and family child care agencies were called
Richmond Hill	Ontario	72%	All centres and family child care agencies were called
Vaughan	Ontario	69%	All centres and family child care agencies were called
Toronto	Ontario		Centres were randomly sampled and all family child care agencies called
Markham	Ontario	66%	All centres and family child care agencies were called
Ottawa	Ontario		Centres were randomly sampled and all family child care agencies called
Gatineau	Quebec		Fixed fees (\$8.25/day)
Laval	Quebec		Fixed fees (\$8.25/day)
Montreal	Quebec		Fixed fees (\$8.25/day)
Longueuil	Quebec		Fixed fees (\$8.25/day)
Quebec City	Quebec		Fixed fees (\$8.25/day)
Iqaluit	Nunavut	75%	All centres and family child care providers were called
Yellowknife	Northwest Territories	78%	All centres and family child care providers were called
Whitehorse	Yukon	77%	All centres and family child care providers were called
Saint John	New Brunswick	83%	All centres and family child care providers were called
Moncton	New Brunswick	70%	All centres and family child care providers were called
Fredericton	New Brunswick	63%	All centres and family child care providers were called
Halifax	Nova Scotia	66%	All centres and family child care agencies were called
Charlottetown	Prince Edward Island		Fixed fees (<2 yrs:\$34/day, 2yrs:\$28/day, 3yrs-4yrs:\$27/day)
St. John's	Newfoundland and Labrador	71%	All centres and the family child care agency were called

TABLE 7 For-profit and not-for-profit fees in centres:
the percent by which for-profit fees exceed not-for-profit fees

City	Province	Infant fees	Toddler fees	Preschool-age fees
Vancouver	British Columbia		29%	38%
Richmond	British Columbia		50%	52%
Burnaby	British Columbia		51%	42%
Surrey	British Columbia		71%	36%
Kelowna	British Columbia		30%	35%
Calgary	Alberta	63%	63%	52%
Edmonton	Alberta	85%	45%	62%
Lethbridge	Alberta	28%	30%	1%
Windsor	Ontario	31%	26%	28%
London	Ontario	13%	12%	10%
Kitchener	Ontario	5%	-6%	-3%
Hamilton	Ontario	29%	28%	37%
Brampton	Ontario	19%	30%	30%
Mississauga	Ontario	13%	30%	36%
Oakville	Ontario	13%	20%	16%
Richmond Hill	Ontario	52%	57%	55%
Vaughan	Ontario	4%	-3%	5%
Toronto	Ontario	6%	14%	31%
Markham	Ontario	1%	15%	21%
Ottawa	Ontario	-2%	5%	29%
Whitehorse	Yukon	-8%	-4%	-8%
Saint John	New Brunswick	1%	10%	4%
Moncton	New Brunswick	9%	4%	2%
Fredericton	New Brunswick	7%	-0%	10%
Halifax	Nova Scotia	7%	13%	15%
Aggregate counts				
For-profit centres are 5% more expensive than not-for-profit centres		15	19	19
For-profit centres are $\pm 5\%$ of not-for-profit centres		4	5	5
Not-for-profit are 5% more expensive than for-profit centres		1	1	1
Total cities with data		20	25	25

Note Positive numbers indicate for-profit more expensive, negative indicates not-for-profit more expensive. The cities in provinces with set-fee regimes were removed. Regina, Saskatoon, Iqaluit and Yellowknife have few for-profit centres and were also removed.

Notes

1 Publicly operated centres are included in the not-for-profit category, as there are so few of them. In some Ontario cities (Brampton, for example), school boards sometimes run child care centres.

2 In Canada, the compulsory school age varies by province/territory. Kindergarten is compulsory in several jurisdictions. In some jurisdictions, Grade 1, the year after kindergarten, is the first compulsory school year. However, all provinces/territories provide kindergarten for five-year-olds, and some do for four-year-olds. See Table 2 in Martha Friendly, Elise Larsen, Laura Feltham, Bethany Grady, Barry Forer, Michelle Jones, “Early childhood education and care in Canada 2016.”

3 https://www2.gnb.ca/content/gnb/en/corporate/promo/improved_early_learning_and_child_care/dcs_info.html

4 Martha Friendly, Elise Larsen, Laura Feltham, Bethany Grady, Barry Forer and Michelle Jones, “Early childhood education and care in Canada 2016.”

5 The City of Toronto and GTA municipalities are administratively separate entities.

6 All provinces/territories make five-year olds eligible to attend kindergarten in September of the year they turn five. Ontario and now Nova Scotia provide full-school-day kindergarten for all four-year-olds too. Quebec and several others provide kindergarten for some four-year olds.

7 <https://www.qia.ca/qia-increases-daycare-subsidy-to-10-day/>

8 Quebec, Manitoba and Prince Edward Island use centralized wait lists, as do some municipalities in Ontario.

9 In Quebec, where operating funds in set-fee child care includes both not-for-profit *centres de la petite enfance* (CPEs) and for-profit *garderies*. An additional for-profit, market fee sector does not receive operating funds but parents are reimbursed for their fees under a separate tax rebate.

10 In Quebec, centres with market fees are always for-profit operations that do not receive provincial operating funds; parents receive a provincial tax rebate for a portion of their fees. Manitoba’s few for-profit centres do not receive operational (unit) funding. Prince Edward Island’s Early Years Centres designated by the province operate in the set-fee program; these centres

are both not-for-profit and for-profit. In St John's, both for-profits and not-for-profits are in the set-fee program, although for-profits are much more numerous in Newfoundland and Labrador.

11 Ministry of Children and Family Development, "Child Care Fee Reduction Initiative: Funding Guidelines 2020/21," January 2020, Government of British Columbia.

12 Shane Wright and Judith Ireland, "Childcare package all but gone 18 months after introduction," *The Age*, February 2, 2020. Online, retrieved February 5, 2020 from <https://www.theage.com.au/politics/federal/childcare-package-all-but-gone-18-months-after-introduction-20200131-p53wlr.html>.

13 A restriction of note is that provinces could not use the funds for wages and/or benefits of educators.

14 For details on these initiatives see Lisa Pasolli, "An Analysis of the Multilateral Early Learning and Child Care Framework and the Early Learning and Child Care Bilateral Agreements," *Child Care Now*, February 2019. Retrieved February 5, 2020 (<https://www.childcarecanada.org/documents/research-policy-practice/19/04/analysis-multilateral-early-learning-and-child-care-framework>)

15 Federal bilateral contribution \$153 million versus B.C. government spending on child care of \$1.233 billion from 2017/18 to 2019/20. From Table 1.14 of Ministry of Finance, "Budget 2018: working for you, Budget and Fiscal Plan 2018/19 – 2020/21", Government of British Columbia, February 20, 2018 and Chart 1.1.1 of Ministry of Finance, "Budget 2020: A balanced plan to keep BC moving forward, Budget and fiscal plan 2020/21 – 2022/23", Government of British Columbia, February 18, 2020.

16 <https://www.peelregion.ca/children/reduced-children-fees/>

17 "At the time of writing Peel region had announced the end of its fee reduction program on April 30th 2020 due to "...reduced child-care funding from the Government of Ontario." See Adam Carter, "Peel cancels child-care fee reduction initiative in wake of provincial cuts", March 3, 2020, CBC News retrieved March 3rd, 2020 from <https://www.cbc.ca/news/canada/toronto/child-care-fee-reduction-provincial-cut-1.5482516>

18 <https://www.hamilton.ca/social-services/early-years-and-child-care-services/child-care-affordability-plan>

19 <https://www.cbc.ca/news/canada/kitchener-waterloo/fees-to-increase-at-regionally-operated-childcare-centres-1.5339803>

20 <https://www.london.ca/newsroom/Pages/Licensed-Child-Care-Affordability-Pilot-.aspx>

21 <http://greatbeginningsdaycare.ca/licensed-child-care-center/its-back/>

22 https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/child_care_fee_reduction_initiative_funding_guidelines.pdf?forcedownload=true

23 A more thorough examination of Charlottetown's market fees is available in David Macdonald and Martha Friendly, *Developmental Milestones: Child care fees in Canada's big cities 2018*, February 2019, Canadian Centre for Policy Alternatives.

24 In Prince Edward Island and Newfoundland and Labrador, the set fee is matched to the maximum fee subsidy available, thereby eliminating the gap that fully subsidized parents are required to pay out of pocket. For an analysis of out-of-pocket fees that fully subsidized low-income parents were required to pay, see our 2016 fee survey "A growing concern," available online at https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/A_Growing_Concern.pdf

25 See Appell, Jeremy, “Requiem for \$25/day child care.” Medicine Hat News. Online, retrieved Feb 5, 2020 from <https://medicinehatnews.com/commentary/opinions/2020/01/21/opinion-requiem-for-25-day-childcare/>

26 Government of British Columbia, “Universal Child Care Prototype Sites”, Online retrieved Feb 27, 2020 from <https://www2.gov.bc.ca/gov/content/family-social-supports/caring-for-young-children/running-daycare-preschool/universal-child-care-prototype-sites>

27 Aaron Guillen, “Pilot project for \$10 daycare extended to April 2021”, Victoria News, Feb 4, 2020, retrieved Feb 27, 2020 from <https://www.vicnews.com/news/pilot-project-for-10-daycare-extended-to-april-2021/>

28 British Columbia, unlike Quebec, has a parent fee subsidy program that low-income parents in the \$10/day program can access.

29 https://www.gov.nl.ca/eecd/files/family_childcare_pdf_operating_grant_faq.pdf

30 Gordon Cleveland, “Affordability for All: making licensed child care affordable in Ontario”, Cleveland Consulting, February 2018, (<http://www.childcarepolicy.net/full-report-affordable-for-all/>)



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