

Sounding the Alarm

COVID-19's impact on Canada's
precarious child care sector

David Macdonald and Martha Friendly





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Executive summary

EVERY YEAR SINCE 2014 we have surveyed child care fees in order to assess which Canadian cities are the most and least affordable for parents. This year's survey does that and more: a special set of questions was added to understand some of the effects of the COVID-19 pandemic on regulated child care. The resulting combination of data about parent fees and the impacts of COVID-19 provides both unique data about regulated child care during the pandemic and insights into Canada's long-standing approach to early learning and child care—and the challenges it creates for parents and service providers.

This year's phone survey involved more than 11,000 phone calls to child care centres, licensed family child care providers and in provinces using an agency-based family child care model. The fees included in this survey are only for children aged 5 and under in centre or family based, full-time, regulated child care. In each city, the survey tracks fees in three age groups, where applicable: infants, toddlers and preschoolers.

The survey was conducted between September 22 and November 13, 2020—after the first wave of the pandemic forced an economic lockdown that disrupted many parents' work situations and placed additional pressure on child care centres that were already on the edge before COVID-19 struck. The survey was completed shortly before the second-wave surge of COVID-19 incidents began.

The survey reveals a substantial decline in child care enrolment in most cities between February and November 2020, just prior to the pandemic's

second wave of workplace lockdowns. In every city outside Quebec, there were at least 10% fewer children in child care in the fall of 2020 compared to February of that year, prior to the pandemic: 27 of 37 cities showed enrolment drops of 20% or higher. It was most extreme in Ontario: one-third to two-thirds of child care enrolment evaporated between pre-COVID enrolment and the time of the survey in November, depending on the city.

While the survey tracks the enrolment drop, broader community information suggests this is being driven by a mix of factors not directly addressed by this survey of service providers. This includes centres not being able to find or retain staff and a complex combination of parental factors, including lost jobs, health and safety concerns, parents working from home and/or parents withdrawing their children from child care programs to avoid paying the high fees that are taking a very large bite out of reduced family incomes in the time of COVID-19.

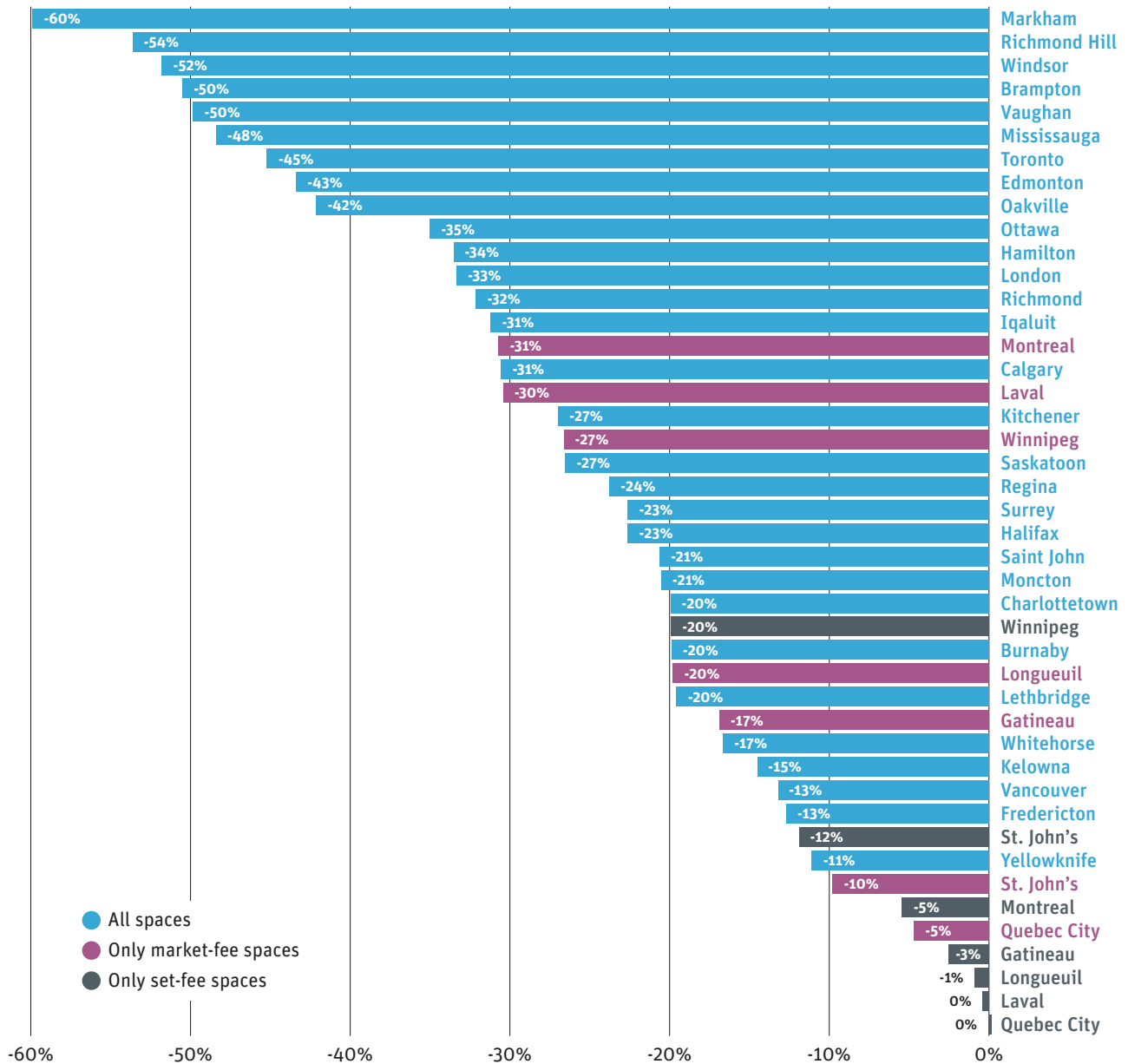
Significantly, the data clearly show that high fees are a driving force in how likely parents are to stop using child care. This is especially well illustrated in the province of Quebec, where the operationally funded, low-fee centres are experiencing small enrolment drops, if any, whereas the tax-credit-funded, market-fee, for-profit centres are experiencing substantial enrolment drops.

Overall, our data show a strong negative correlation between child care fees and drop in enrolment: as the median fee for preschool-age children rose, enrolment dropped; the lower the fees, the less likely parents were to take their children out of child care, despite the pandemic.

The data also show a correlation between enrolment drops and unemployment rates—one marker of what families have been experiencing. This shows that as unemployment increased in a city, so did the drop in child care enrolment. If parents aren't employed, they are less likely to place children in child care, especially if it is expensive child care. We would expect this to continue to be a problem, since we know that many household incomes—especially mothers' incomes—have been reduced as a result of COVID.

The substantial reduction in child care enrolment will have obvious knock-on effects for child care service providers, who normally depend mostly on parent fees and still have fixed costs like rent, heat, and electricity, as well as staffing costs, even if spaces aren't completely full. Financial instability is the most predictable result of the drop in enrolment for child care centres and family child care providers. Child care service providers may have access to a variety of federal business supports, such as the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Business Account (CEBA) but for child care this may not be enough and closures may be the result.

Child care enrolment change between February and September–November 2020



Note Includes changes in centres and licensed homes. Includes complete closures as well as reductions in sites that remain open. Includes increases in enrolment and new openings, although those were few. Only includes full-time child care for children younger than school age.

In terms of child care fees, the survey shows that fees for parents continue to be sky-high in some cities. Fees are lower in provinces that provide operational funding and set-parent fees. Set fees are lowest in the province of Quebec, which provides the most substantial operational funding. In

comparison with provincially set fees, centres charging market-determined fees in the same provinces had substantially higher fees everywhere but Charlottetown.

Infant fees were the highest among the three age groups. Among Canadian cities, those in Quebec had the lowest median infant fees, at \$181 a month, compared to Toronto's median infant fees of \$1,866 a month—the highest in Canada. Many of the Greater Toronto Area suburbs (Mississauga, Richmond Hill, Brampton, Vaughan and Oakville) were close behind Toronto, costing between \$1,450 and \$1,600 a month. Iqaluit's median infant fees were \$1,411.

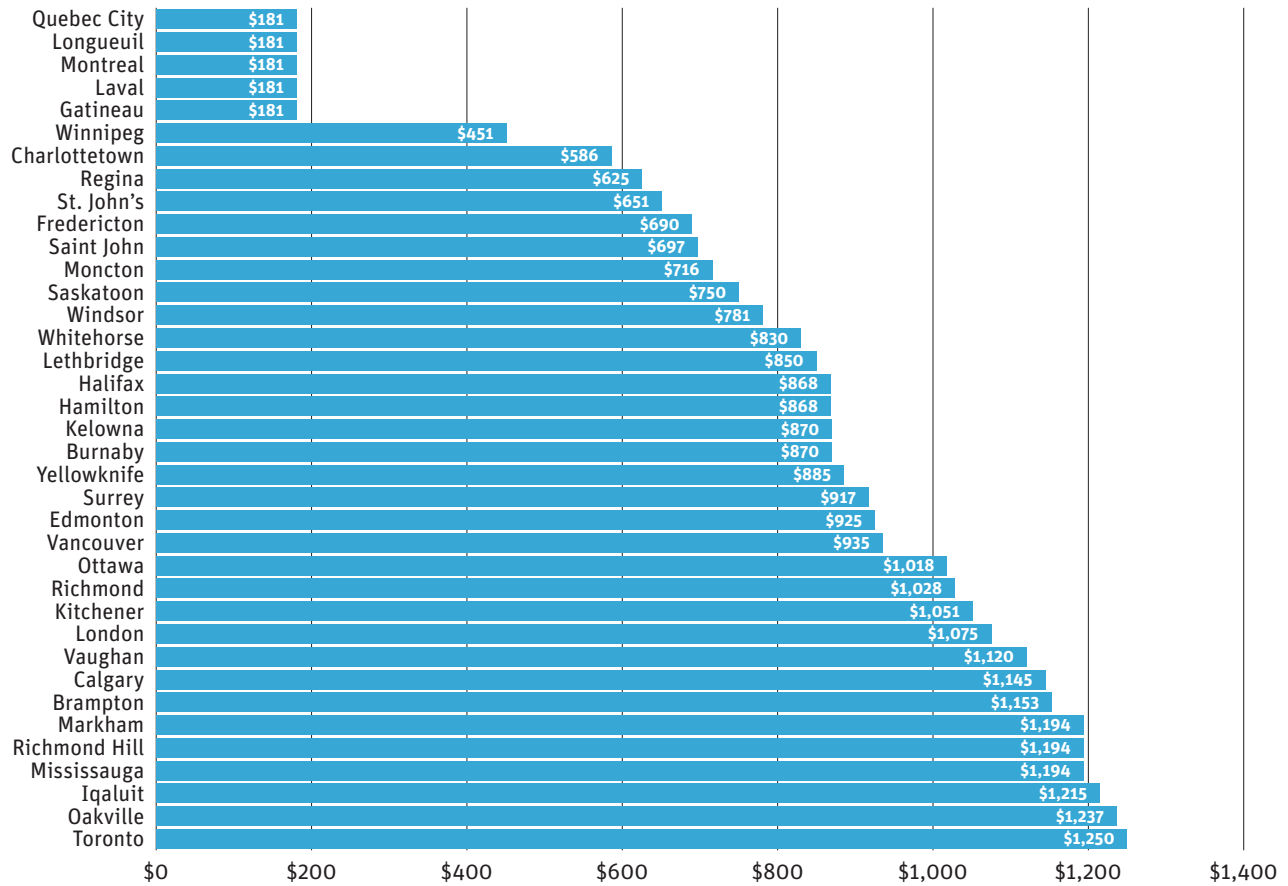
Toddler fees were the second highest among the three age groups. Again, Quebec cities had the lowest median toddler fees, at \$181 a month. Toronto had the highest fees in this age category, at \$1,578 a month. The Greater Toronto Area suburbs were next, with median toddler fees in the \$1,250 to \$1,330 range. Richmond, B.C., was among the five cities with the highest toddler fees, with a median toddler space costing \$1,300.

Preschool-age spaces cost parents the least and they are the most numerous. The Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City remained the most affordable cities in Canada, where child care cost \$8.35 a day, or \$181 a month, in 2020. Winnipeg and Charlottetown were the second least expensive cities—Manitoba and P.E.I., like Quebec, also set their fees provincially. Toronto was the most expensive city in this age category, costing \$1,250 for a preschool-age child. However, other Ontario cities and Iqaluit rounded out the top 10, with fees between \$1,075 and \$1,237.

Fees were higher in the for-profit child care sector in every city except Moncton, N.B., although non-profits and for-profits are treated the same way in funding policy in most provinces. The fee gap between non-profits and for-profits was as much as 60% in Surrey, B.C. In nine of the 25 cities with data, for-profit fees were at least 25% higher.

The data in this annual survey raises major cause for alarm about the future of child care as an essential service needed for Canada's economic recovery from the pandemic. Current policy that requires regulated child care services to self-fund from parent fees has exacerbated their already fragile situation in two ways: enrolment is down the most where fees are highest, thus programs that are dependent on parent fees to operate are suffering substantial revenue drops because of lower enrolment, putting their ongoing operation at risk. This will have a real impact on family incomes, economic sustainability for women and for Canada's economic recovery, which will be impeded if women are unable to fully return to work. The data in this unique year reinforces the importance of public policy on child care fees: funding

Median preschool-age fees 2020 (monthly)



child care operationally, together with setting parent fees—as Quebec funds its Tier 1 centres, as Newfoundland and Labrador, Prince Edward Island and Manitoba now do—is the best way to stabilize parent fees and to make them more affordable. Expanding, and improving upon, this model is the foundation upon which to build child care services in the future.

Introduction

THE 2020 CHILD CARE fee survey is the seventh update in a series that began in 2014. As with previous years, the survey's primary goal is to determine child care fees in 37 Canadian cities, with at least one city per province and territory. The fees included in this survey are only for children aged 5 and under in full-time, regulated child care. In each city, the survey tracks fees in three age groups, where applicable: infants, toddlers and preschoolers. The spaces surveyed represent 53% of all licensed non-school-aged child care spaces in the country, including centres and regulated family-based care. In addition to determining the median fees in each city, we also survey the market-priced fees in cities where most spaces are at a provincially set fee but some spaces are at market-determined fees.

The survey includes all licensed full-day spaces in centres and family child care; it does not include unlicensed family child care providers.

This year's phone survey involved more than 11,000 phone calls to child care centres, licensed family child care providers and agencies, in provinces using an agency-based family child care model. The survey was conducted between September 22 and November 13, 2020.

It should be remembered that while Canadian child care is very dependent upon parent fees to operate, the fees parents pay are only a part of the overall cost of providing child care. Public funding, particularly of operational costs and staff wages, is another important part of the cost equation, as are the notoriously low wages paid to child care staff, which indirectly subsidize child care provision.

This year, a COVID-19 module of questions was added to the survey's traditional fee questions. The survey was in the field after the first (spring 2020) pandemic wave but before the second surge in most provinces in the late fall of 2020 and early winter of 2021. The COVID-19 questions were focused on enrolment changes pre vs. post the pandemic's first wave, as well as the impact that both public policy and COVID-19 had on child care demand. We explored how COVID-19 affected parent fees and child care enrolment due to COVID-19. The results of these questions form a unique dataset of child care fees and other impacts in the post-first wave, pre-second wave COVID-19 pandemic period. Since very little data about child care during COVID-19 has been collected in Canada, these data can act as a guide for policy-makers grappling with the impact of COVID-19 on the provision of this vitally important service.

Impact of COVID-19 on child care

COVID-19 HAS AFFECTED all aspects of life in Canada, and child care is no exception. From the initial elementary school and child care closures in most of the country in March 2020, to the provision of emergency care for frontline workers during the spring and the re-opening of licensed child care in late spring, the effects of the absence of child care and the structural weakness within the sector has been a front-and-centre issue. After most provincial and territorial governments closed child care to regular use in March 2020, a crowdsourced survey took an initial in-depth snapshot of the impact of COVID-19 on child care. In contrast to this report, which focuses on 37 cities, the May survey provided national and provincial results. It surveyed more than 8,300 licensed centres and family child care providers in late April to early May 2020 and found that 72% of centres reported they were closed to regular child care users, though a minority remained open to provide emergency child care to essential worker parents.¹ As well, 71% of centres reported they had laid off some or all of their staff. Among those that were closed, 36% of centres and 38% of family child care providers said they were uncertain about whether they would reopen.²

Without child care for non-school aged and elementary-school aged children, parents—especially mothers—who were trying to work at home or who were still working at jobs outside the home struggled daily. When most licensed child care centres re-opened by late May 2020, these close-contact

environments became a source of anxiety for parents and policy-makers alike—although deadly outbreaks of the kinds experienced in long-term care haven't materialized in child care settings. As well, child care staff in an Ontario survey voiced concerns about their own safety.³ In the nationally crowdsourced survey, service providers expressed concerns about what they would face after re-opening. Many centre directors and family child care providers worried about low enrolment, about being able to rehire or hire staff, and other issues.⁴

The essential importance of child care for the economy was not lost on policy-makers. The federal government dedicated an earmarked stream of \$625 million of its Safe Restart transfers to provinces and territories for child care. The child care sector also drew upon other non-child care related federal benefits, with 87.3% of centre directors reporting during the first wave that their staff were receiving the Canada Emergency Response Benefit (CERB) or Employment Insurance (EI). Child care service providers accessed other federal benefits, especially Canada Emergency Wage Subsidy (CEWS): 52.2% of all centres applied for or were planning to apply for CEWS shortly after the program became available in mid-April 2020.⁵ Provinces and territories varied substantially on how regular child care funding and additional funding were made available (for example, several jurisdictions covered lost parent fees in closed centres).⁶ As well, these variations shifted multiple times as infection rates and medical knowledge shifted over time.

While in the first wave of the pandemic child care programs were primarily closed by provincial and territorial orders, at the time of this survey (September through November 2020) they were permitted to be open everywhere in Canada. Any closures were voluntary, on the part of the provider. Thus, during this critical fall window, we can observe the impact of COVID-19 on the child care sector, which was operating in a “normal” manner (as normal as possible in the middle of a pandemic).

This survey uncovered an important development within the sector: a dramatic drop in enrolment in full-time licensed child care in most cities. Figure 1 details the change in enrolment by city. It includes both centre and family child care, showing that there wasn't a substitution effect of children transferring from centres to family child care or vice versa. Some new centres and family child care homes opened in the middle of the pandemic, thereby increasing city-level enrolment, although those were rare.

In every city outside the province of Quebec, there were at least 10% fewer children in child care in the fall of 2020 compared to February of that year, prior to the pandemic: 27 of 37 cities showed enrolment drops of 20%

or higher.^{7,8} It was worse in Ontario: one-third to two-thirds of child care enrolment evaporated between pre-COVID enrolment and November. As Figure 1 shows, nine of the 10 cities that registered the biggest enrolment drop (from 35% to 60%) were in Ontario, with Edmonton included in the top 10, at number eight. The GTA cities⁹ were hit particularly hard, with a 40% to 60% decline in enrolment, while Kitchener had the smallest drop in enrolment in Ontario, with a 27% decline.

The percentage decline doesn't show the absolute number change, which can be very large in cities with a lot of child care spaces. For instance, in Toronto there were almost 22,000 fewer children in child care in the fall of 2020 than before the pandemic. In Edmonton, the figure was over 10,000, and almost 7,000 fewer in Calgary. Ottawa also had 7,000 fewer children in child care, Mississauga had almost 5,000 fewer children in child care, while Markham, Vaughan and Brampton lost 3,500 children in their cities from their child care centres and family child care homes.

Quebec centres with set fees in all five cities surveyed (Montreal, Gatineau, Longueuil, Laval and Quebec City) all had enrolment declines of 5% or less, with Laval and Quebec City reporting no decline. However, Quebec's market-fee programs were much more variable, with Montreal-market and Laval-market services reporting 31% and 30% enrolment drops, respectively. (See the discussion later in this paper about Quebec's two child care tiers, the set-fee centres, which are all operationally funded and mostly non-profit, and the market-fee centres, which are not operationally funded and all for-profit).

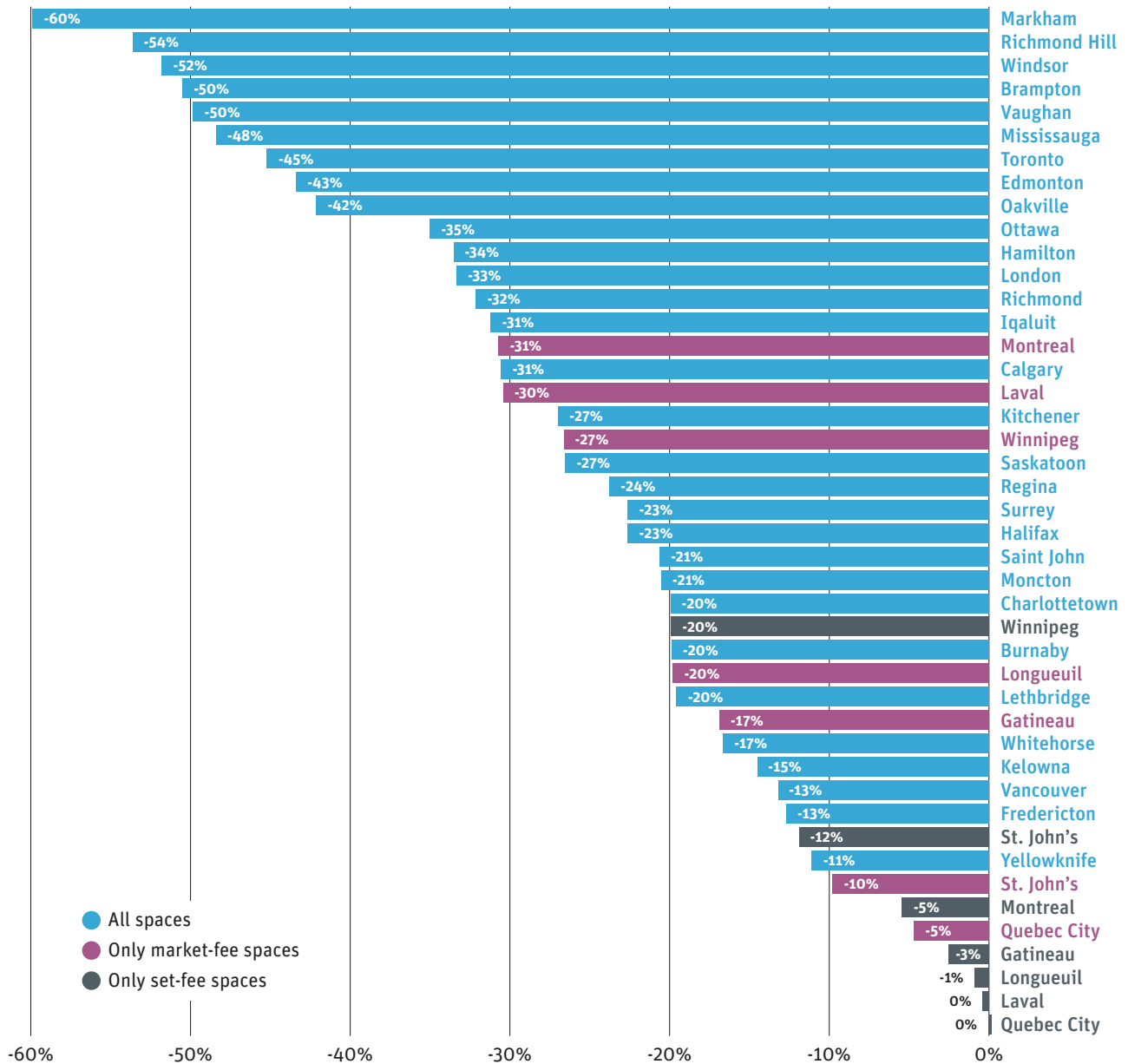
The survey does not yield definitive information about the reasons for the enrolment decline but can provide some hints. The three most obvious reasons for the hefty enrolment drops are:

1. The centre or family child care home was closed;
2. The centre or family child care home voluntarily reduced its capacity due to pandemic-related issues (staffing issues or health and safety concerns the most likely);
3. Parents are choosing not to send their children to child care for a variety of reasons.

Child care closures

Again, no child care was required to close by the province or territory at the time of this survey. However, the survey found some centres and family

FIGURE 1 Child care enrolment change between February and September–November 2020



Note Includes changes in centres and licensed homes. Includes complete closures as well as reductions in sites that remain open. Includes increases in enrolment and new openings, although those were few. Only includes full-time child care for children younger than school age.

child care homes voluntarily closed, either permanently or temporarily, due to the pandemic. Centres and homes contacted were asked if they were temporarily or permanently closed due to the pandemic, but closure was also determined if a voice mail message or website message said the service was closed. When family child care agencies were called, they were asked how many homes were closed due to the pandemic. In almost every city we surveyed, we encountered both closed centres and closed family child care homes, but the numbers were relatively small. In several cities—Toronto, Edmonton, Calgary and Ottawa—there were quite a few closed family child care homes, from 72 in Calgary to more than 200 in Ottawa. Although this survey was not the right instrument to definitively determine service closures, closures seem to have played a relatively small role in the enrolment declines that we identified—before the second wave of the pandemic, at least.

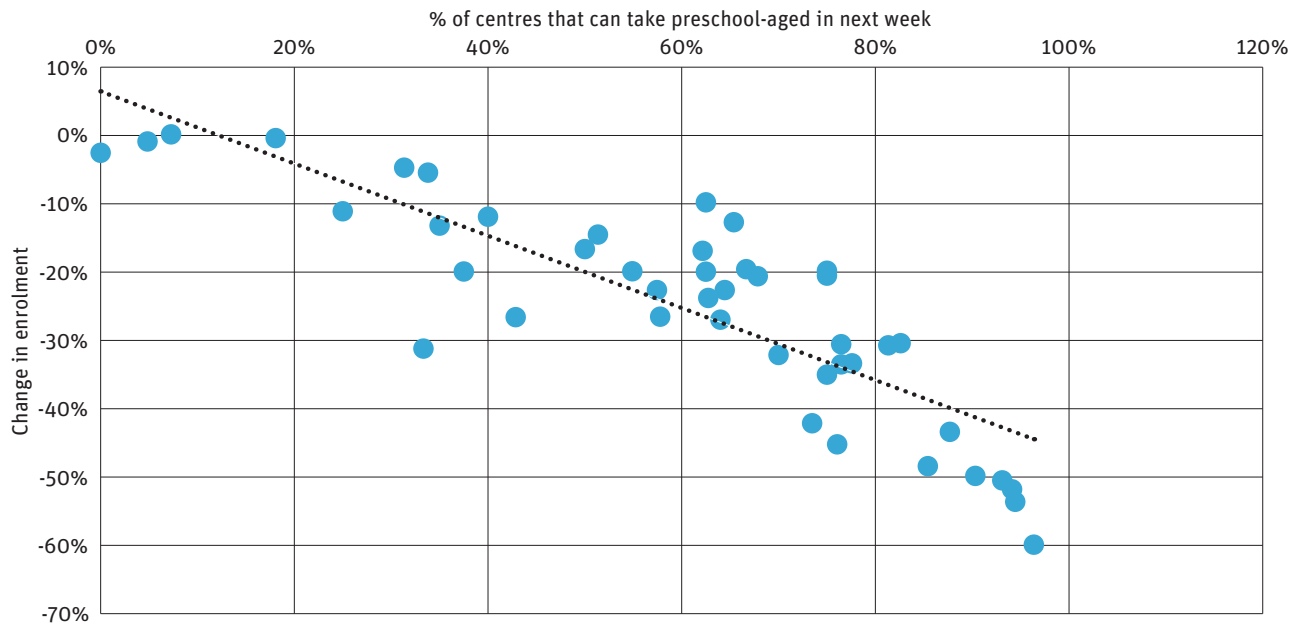
Voluntary curtailment

The second reason for the large decline in enrolment may have been that centres themselves voluntarily curtailed spaces. At the time of the survey, there were no provincial or territorial requirements to improve staff ratios or curtail enrolment due to the pandemic but these have been reported anecdotally. Centres could also be curtailing enrolment due to difficulty finding staff. This has been reported to be an issue in some places, including the possibility that those who were laid off in the spring may have found other work¹⁰ or that staff were concerned about contracting the virus.¹¹

To gain more information about vacancies, we asked the service providers if they could enrol a new child in the preschool-age group in the next week, in essence asking them if they had excess capacity that they weren't using but would like to. Figure 2 shows the enrolment drop rates and the percentage of centres that could enrol a new child. There is a strong negative correlation (-0.85 on a scale of 1 to -1) between these two variables at the city level. In other words, as enrolment fell, more centres indicated they had space for a preschool-aged child. This strong negative correlation suggests that the more enrolment fell, the more centres had space for more children—suggesting that the lower enrolment may not have been their choice.

It is worth pointing out how unusual this situation is. In previous surveys, we have found wait lists were the norm, with centres sometimes charging parents a fee to have their name on a wait list.¹² Wait lists were essentially universal in every centre that we surveyed prior to the pandemic.¹³ In the

FIGURE 2 Enrolment change vs. centres that can take a new preschool-age child (by city, 2020)

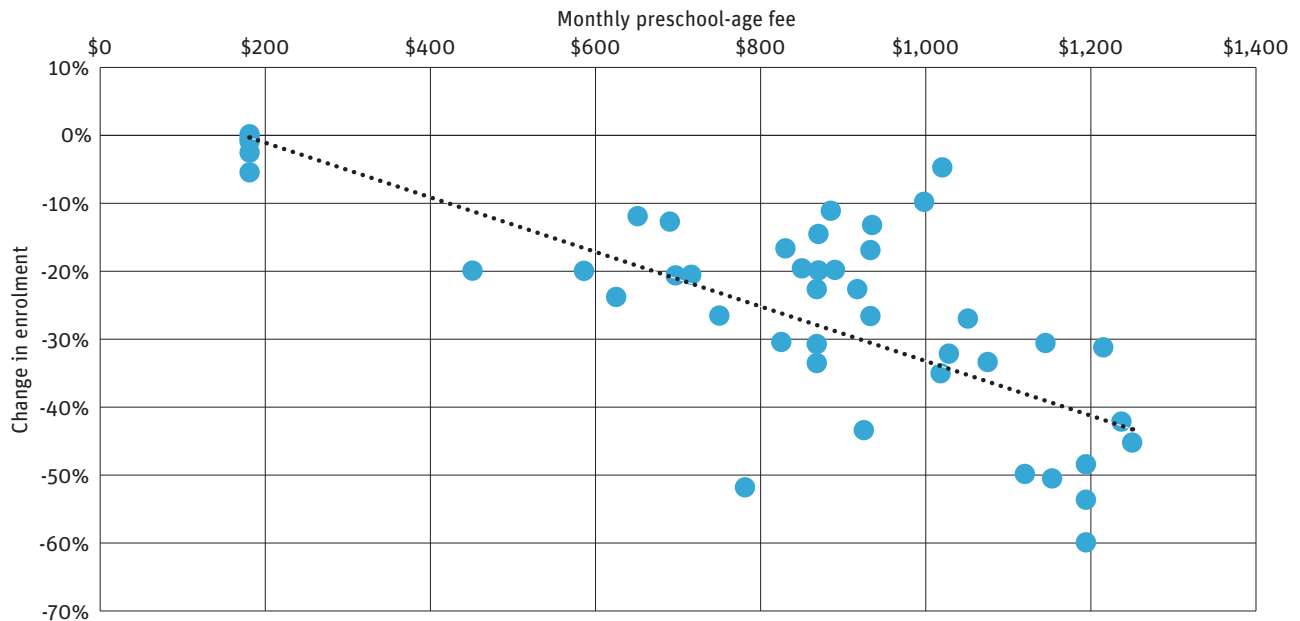


time of COVID-19, this situation has been turned on its head. Now many centres are able to enrol additional children because they have vacancies and waiting lists have evaporated. The situation for many providers is dire; in some centres surveyed, enrolment had fallen from 20 to 30 children down to fewer than five. It is unclear how long centres can continue to operate with so few children, since this survey was taken “between waves” in the fall and the new workplace lockdowns that occurred shortly thereafter and continued into 2021—which undoubtedly influenced some parents’ child care decisions.

Parents opting out

The third possibility for declining enrolment is that parents are keeping their children out of child care. Our data show a strong negative correlation between child care fees and drop in enrolment, adding credence to this third hypothesis. On a scale of 1 to -1, there is a -0.72 correlation at the city level between enrolment change and the median child care fee. In other words, as the median fee for preschool-age children rose, enrolment dropped due

FIGURE 3 Enrolment change vs. monthly median preschool-age fee (by city 2020)

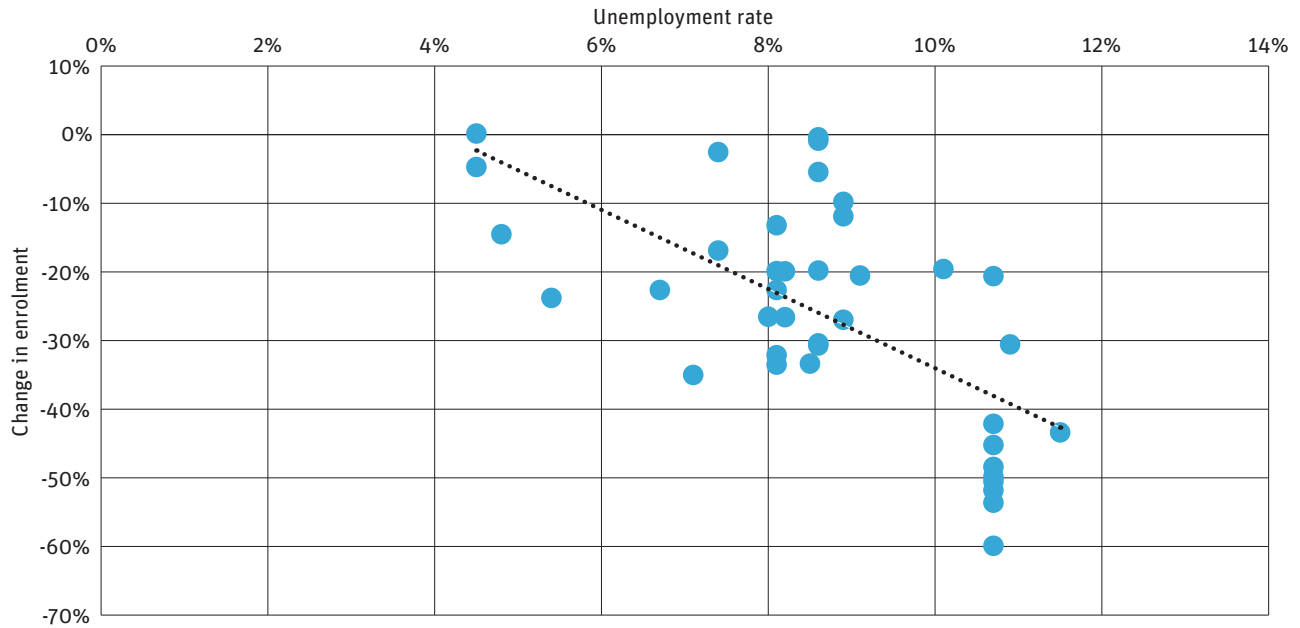


to COVID-19. The lower the fees, the less likely parents were to take their children out of child care, despite the pandemic.

This dynamic plays out particularly in Quebec cities where market-rate centres operate alongside set-fee centres. The set-fee centres charging \$8.35 a day (2020) have seen the smallest impact on enrolment during COVID-19 compared to any centres in the country. At the same time, the market-rate centres in four of the five cities—Gatineau, Longueuil, Montreal and Laval—have seen declines in enrolment similar to other big cities (17% to 31%). Anecdotally, our interviewers were told that children were being moved from the non-set-fee centres to set-fee centres if space was available. It is noteworthy that, anecdotally, this was a pattern pre-COVID, as parents would move children from the more costly, poorer quality, non-set-fee for-profit centres to set-fee, better quality non-profit centres de la petite enfance, if possible.

Since this is a survey of child care providers, not parents, it can't explain the complex reasons why parents have not been sending their children to child care during the pandemic. For example, some parents who shifted to working at home may have found their child care centre to be inconveniently located. Job loss or reduction of working hours, caused by the pandemic, would clearly also feature prominently in whether to keep children in child

FIGURE 4 Enrolment change vs. unemployment (November 2020, by city)



Source [Statistics Canada. Table 14-10-0380-01.](#)¹⁶

care, particularly if that care is expensive or if parents had health and safety concerns for their child.

When a June 2020 crowdsourced survey asked parents whether they would return their children to child care after the initial lock down, 29% of those with children in child care before the spring lockdown said they wouldn't return them afterward.¹⁴ Health concerns and children aging out of child care were among the most common reasons parents gave for intending to keep their kids out of child care.¹⁵ Note that this Statistics Canada survey asked parents about their intentions only and was conducted five or six months prior to our survey.

The correlation of -0.64 (from a possible 1 to -1) between enrolment change and unemployment shows a clear negative relationship. This correlation isn't as strong as the previous ones, but it is still compelling. It shows that as unemployment increases in a city, so does the drop in enrolment. If parents aren't employed, they are less likely to have children in child care, especially if it is expensive child care. Thus, unemployment is likely to reduce enrolment, with the crisis of employment caused by COVID-19 having an impact on child care services that are heavily reliant on parental fees.

Combining the impact of unemployment and high fees in particular cities has clearly led to significant pressures on parents. The predictable result of substantial drops in enrolment if fees are unaffordable is exacerbated when pandemic job loss is experienced. And for parents seeking new jobs in a terrible job market, having to juggle a job search with children at home as well is no doubt making the situation much more stressful.

The impact of COVID-19 on child care fees

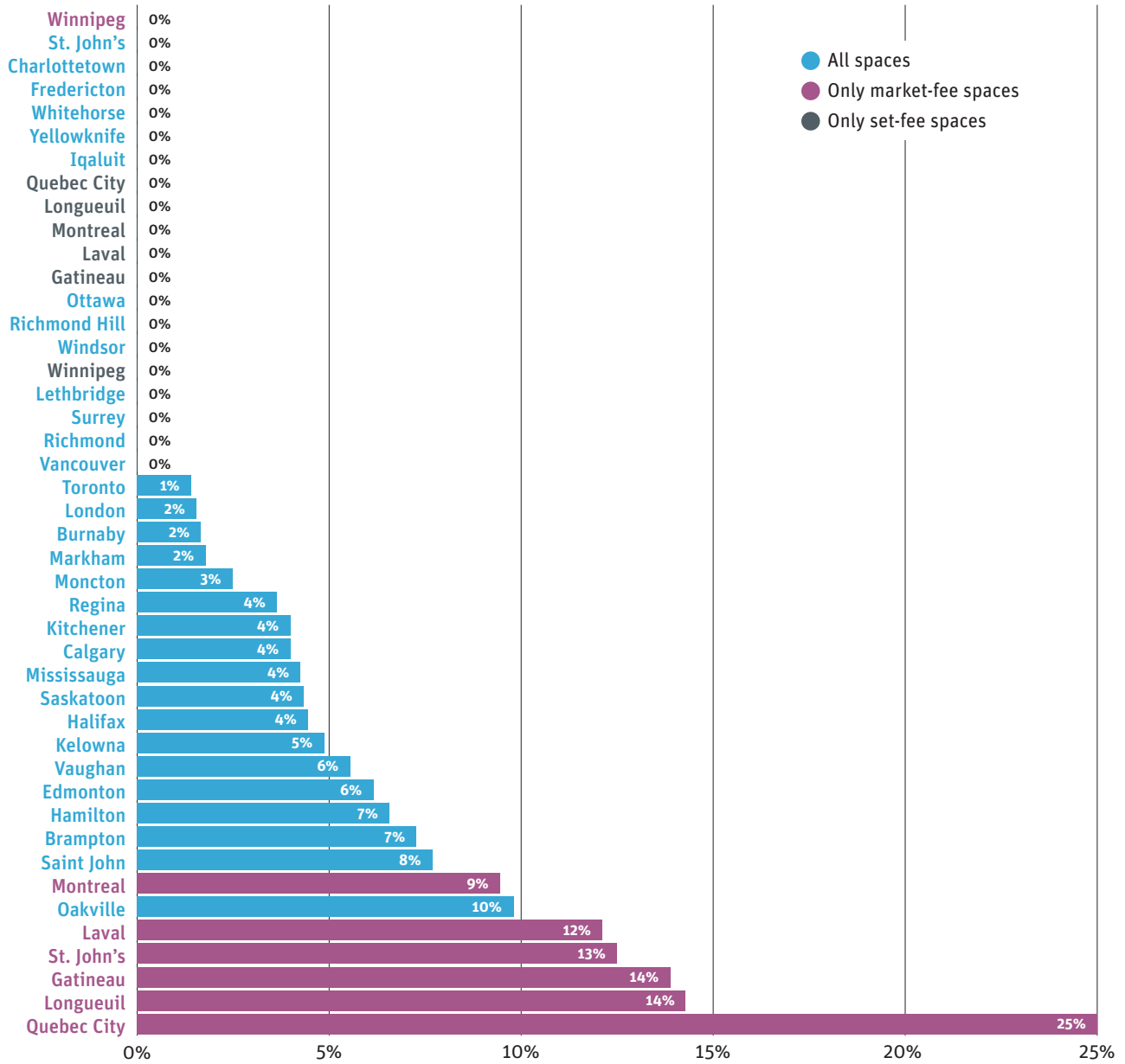
The substantial reduction in enrolment would have obvious knock-on effects for child care providers, who still have fixed costs like rent, heat, and electricity, as well as staffing costs, even if spaces aren't completely full. Thus, a predictable result of the drop in enrolment will be deficits on service providers' books. Fee increases to cover these deficits are only possible if there is a surplus pool of parents who can afford them. Child care providers, like other businesses and non-profits, would have access to a variety of mostly federal business supports, like the CEWS and Canada Emergency Business Account (CEBA). However, for child care, like many other businesses, this may not be enough and outright closure may be another possible result.

In part to support parents and the child care sector, to forestall financial chaos and closures, federal and provincial governments provided various levels of support to the child care sector. For its part, the federal government created a stream of its Safe Restart agreements devoted to child care support. Prior to the federal transfer, the provinces created specific child care support programs that federal money, after the fact, may have helped fund.¹⁷ For instance, British Columbia provided temporary emergency funding for licensed providers, amounting to \$20,000 a month to cover operational costs, even while closed.

Generally, centres didn't report raising their fees due to COVID-19 in this survey. Figure 5 shows that in 31 of the 44 cities¹⁸ with data, 5%, or fewer, of centres reported that they raised their fees due to COVID-19. The market-rate centres in Quebec cities were most likely to show COVID-19-related increases. These centres, which are not operationally funded, also do not have set fees, and were suffering from low enrolment, unlike the Quebec-funded, set-fee centres.

However, although raising fees due to COVID-19 was reported to be uncommon, it didn't mean that fees didn't go up for other reasons.

FIGURE 5 The proportion of centres reporting fee increases due to COVID-19



Child care fees in Canada

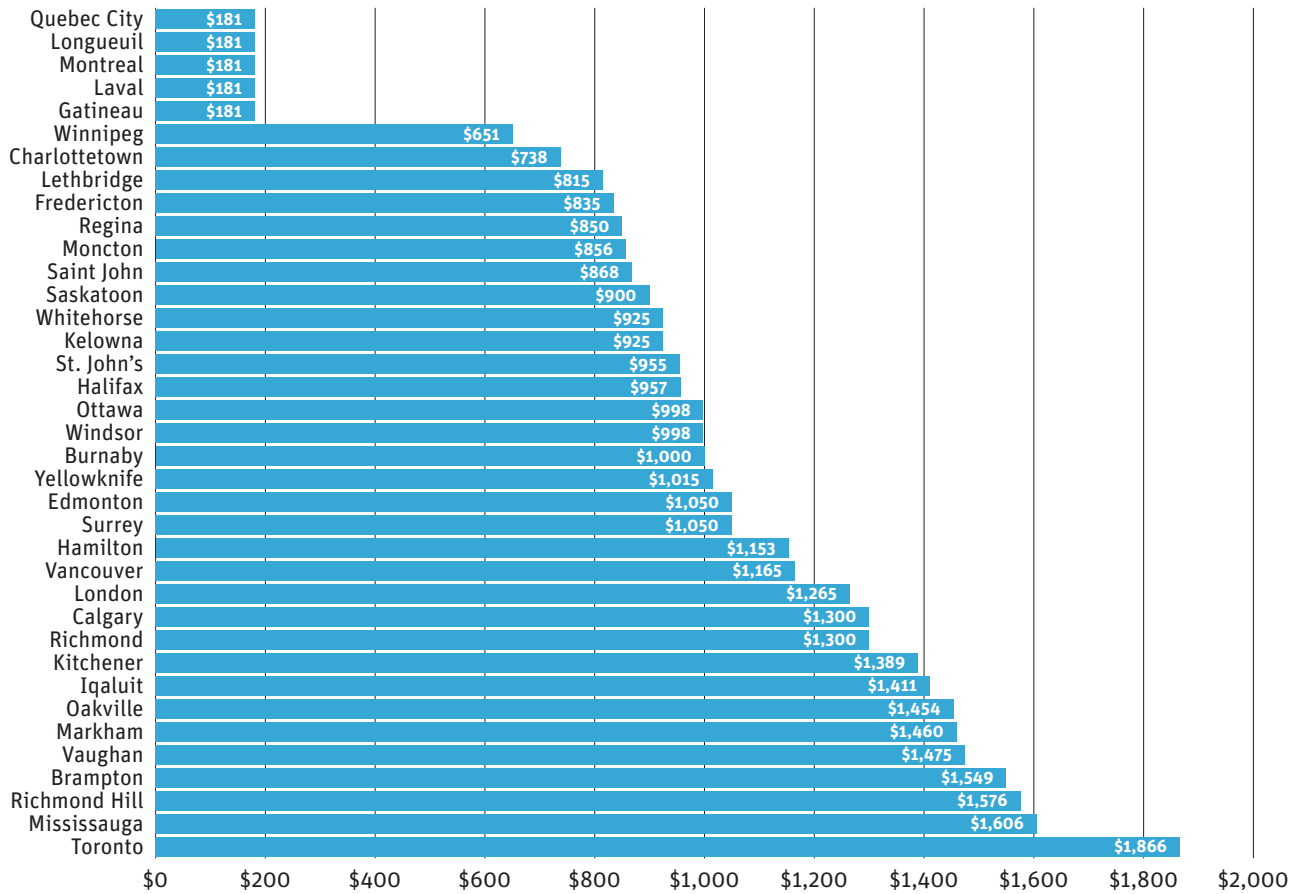
WHILE MANY CHILD CARE providers didn't report increasing fees specifically due to COVID-19, it doesn't mean they didn't increase (or decrease) them for other reasons. As in previous years, fees remain very high in many parts of the country, despite the pandemic and despite the huge declines in enrolment.

Fees in this section are reported at the space-weighted median. That is to say, all child care spaces in a city are ranked by the fee charged, from highest to lowest. The fees charged at the mid-point of this ranking are reported in this section. In other words, half of the spaces in a city are more expensive than the median fee listed, half are less expensive. This approach avoids the skewing effect of very high or very low fees that would happen if a weighted average was used.

In the case of cities in set-fee provinces, some centres' fees are actually at market rate and not at the set-fee rate. However, in all cities examined, those market-fee spaces make up less than half of all spaces. In terms of the median fee for that city, it will be the set fee, since a set-fee space will be the one in the exact middle of that distribution. Following this section, in which median fees are examined, the market fees in set-fee provinces are examined separately.

The median fees include both centre and family-based child care fees, again weighted by number of spaces. The fees for each of the two types of care are available in Appendix A.

FIGURE 6 Median infant fees 2020 (monthly)



Median infant fees

Infant fees are consistently the highest among the three age categories because infants require the highest staff-to-child ratio, so they require more staff. The infant category is for children aged 18 months or less, although this age definition differs somewhat by province. B.C. generally doesn't have a separate fee for infants; instead infants and toddlers pay the same fee. B.C.'s combined infant/toddler fee is used in Figure 6.

The lowest median infant fees are found in the five Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City. Quebec funds non-profit and some for-profit centres operationally and requires these "reduced contribution centres" to charge the provincial set fee, which was \$8.35¹⁹ a day, or \$181 a month, in 2020. Unlike set fees in other provinces, the set fee doesn't change with a child's age. Thus, the spread between what Quebec

parents pay in set-fee child care and what parents pay in most other cities across Canada is largest for infants.

The second least expensive cities on the list are the set-fee centres in Winnipeg and Charlottetown. Both cities are also in set-fee provinces that follow a similar model to Quebec in that they provide operational grants to service providers, which then charge the set provincial fee. However, the maximum fees for infants in Manitoba and P.E.I. are higher than in Quebec, partly because the provincial operational funding is less and partly because Quebec is the sole province to set one parent fee across all age groups.

The infant fees in St. John's are in the mid-range for Canada as a whole, at \$955 a month. Note that in January 2021, after our survey was taken, the St. John's fee for infants fell to \$543 a month, from the \$955 shown in Figure 6, when the provincial government introduced a maximum fee of \$25 a day for providers that were part of the Operating Grant Program.

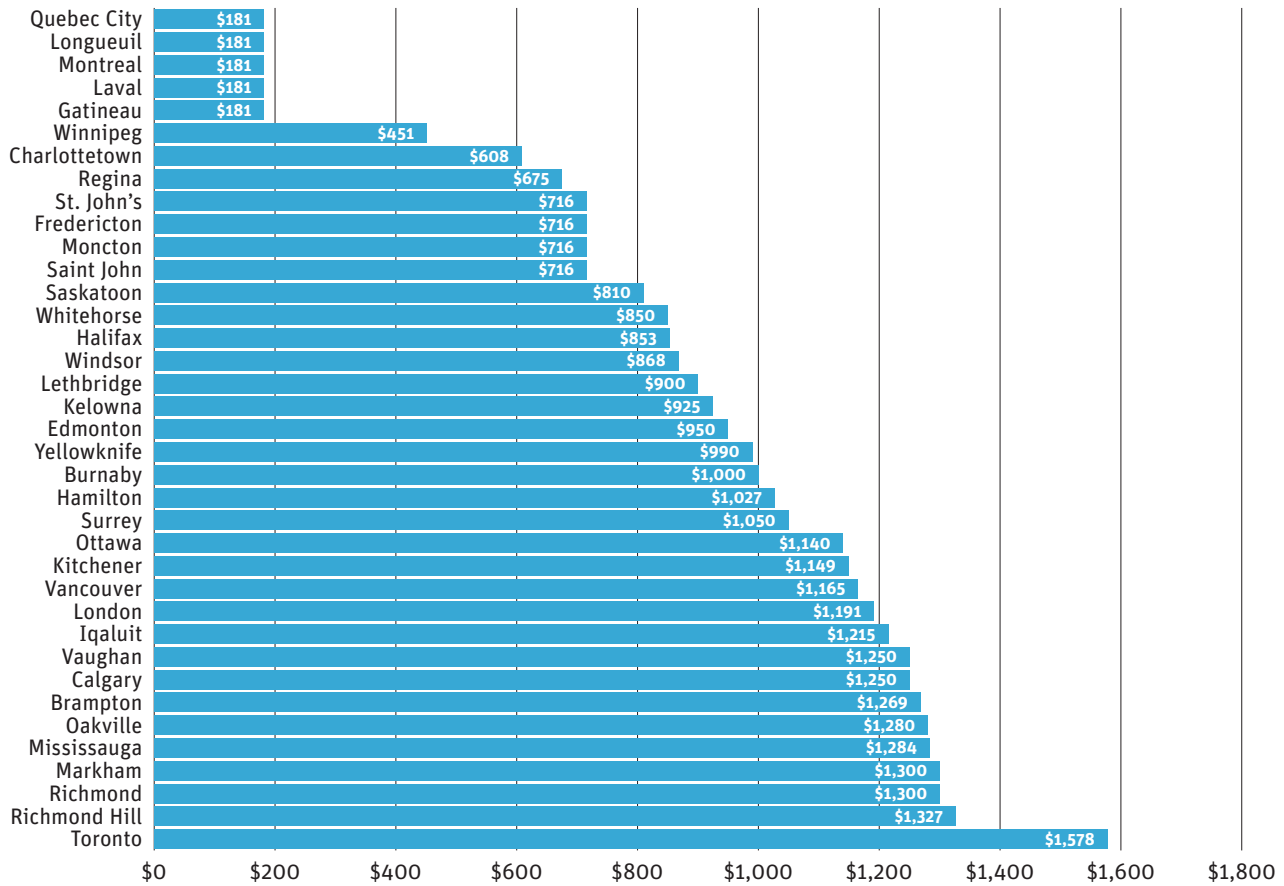
The highest infant fees in 2020 are in Toronto, at almost \$1,900 a month—more than \$250 higher than the next most expensive cities, putting Toronto's infant fees in a league of their own. The next highest fee cities surround the City of Toronto geographically: Mississauga, Richmond Hill, Brampton, Vaughan and Oakville. These GTA cities' infant fees are in the \$1,500 to \$1,600 a month range, with Iqaluit, in the far North, not far behind at \$1,411.

Median toddler fees

The middle-age category of toddlers spans 18 months to two-and-a-half or three years, although there is variation depending on the province or territory. As noted earlier, B.C. providers generally charge a single fee for infants and toddlers, reflected in Figure 7. Iqaluit and Winnipeg providers group toddlers and preschool-age children with a single fee, as per Figure 7. In other words, Figure 7 represents the fee for children anywhere between 18 months to three years in each city.

As with infant fees, the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City are the lowest in Canada, given their set fee/operational grant system. Winnipeg and Charlottetown are the next lowest-fee cities, again for the same reason, although their set fees are somewhat higher than Quebec's. Regina has the lowest median toddler fee of the market rate cities, at \$675, with Saskatoon at \$810. Saskatchewan provides substantial operational funding support to its service providers, which are almost all non-profit. However, unlike other provinces that provide substantial operat-

FIGURE 7 Median toddler fees 2020 (monthly)



ing funding, Saskatchewan has not mandated set fees. As such, the fees in Saskatchewan’s two cities in the survey are lower than many other market-fee cities but still higher than in provinces where provincial governments set them directly. As we noted in the infant fee section, Newfoundland and Labrador also has more than 50% of centres using set fees, but St. John’s toddler fees, at \$33/day or \$716 a month, are not as low as in the other set-fee provinces (although they were reduced to \$25/day in 2021 after our survey was taken).

At the high end of the spectrum we, again, find Toronto with median toddler fees of \$1,557 a month. As with median infant fees, Toronto is in a league of its own, charging \$200 more a month than the next most expensive city, Richmond Hill, for toddlers. The cities with slightly lower fees than Toronto are also in the GTA, charging between \$1,200 and \$1,300 a month at the median. Richmond, B.C., a suburb of Vancouver, is also in that range.

Among the 17 cities in which toddler fees were more than \$1,000 a month, 11 were in Ontario, four in British Columbia, Calgary and Iqaluit.

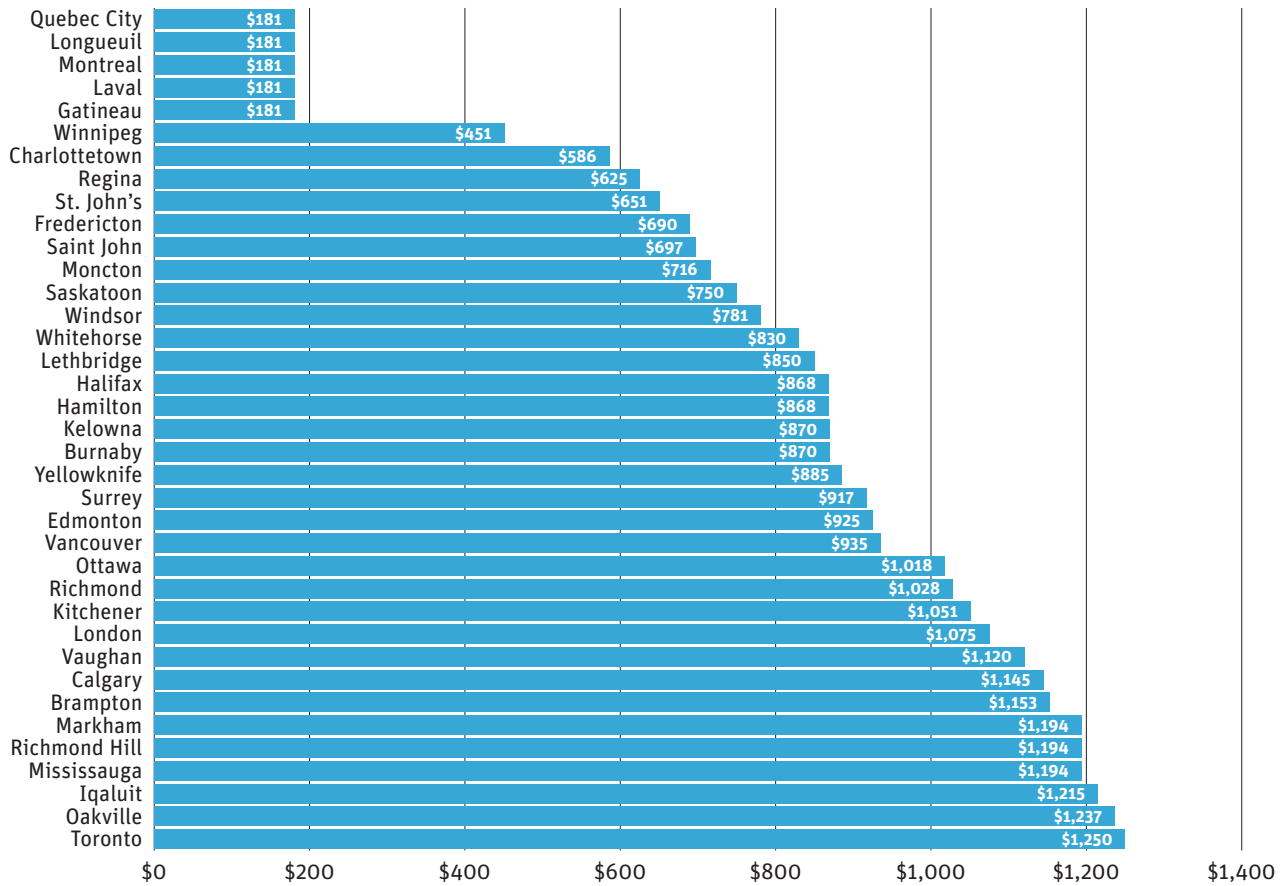
Median preschool-age fees

Preschool-age children represent the greatest number of children among our three categories below school age. It covers children aged two-and-a-half or three years to school-age, although this varies quite a lot by province. In Ontario and Nova Scotia, for example, virtually all four-year-olds are in publicly funded kindergarten most of the day. Fees also tend to be lowest in this age category since the staff:child ratio required is lower. In Manitoba and Nunavut, toddlers and preschoolers generally pay the same fee, which is used in Figure 8. Note that preschool or nursery school sometimes refers to a part-time program. This report uses preschool-age to refer to the age group described; preschools and nursery schools are excluded from the survey, as they aren't full-time.

As with the other age ranges, the Quebec cities of Gatineau, Laval, Montreal, Longueuil and Quebec City have the lowest median preschool-age fees in the country. This is, again, due to Quebec's set fee/operational funding system, which set maximum fees at \$8.35/day or \$181 a month when the survey was conducted. The next lowest fees are found in Winnipeg and Charlottetown, at \$451 and \$586 a month respectively. These cities are in set-fee/operational funding provinces, although the maximum fees are higher than those in Quebec. Newfoundland and Labrador has a similar system, although Regina slightly edges out St. John's. This is prior to the Newfoundland and Labrador change in January 2021 that will reduce St. John's preschool-age fees from \$30 a day in the fall of 2020 to \$25 a day, or \$542 a month, in 2021 in participating centres and homes.

At the high end of the fee range, Toronto child care is, once again, the costliest of any city, at \$1,250 a month. However, the spread between it and the other GTA cities is smaller than in other age categories. In fact, there are five other cities around the \$1,200 a month mark. This includes Iqaluit, at \$1,215 a month—highlighting the high costs in the North, in this case, at a level that rivals the fees in Ontario cities.

FIGURE 8 Median preschool-aged fees, 2020 (monthly)

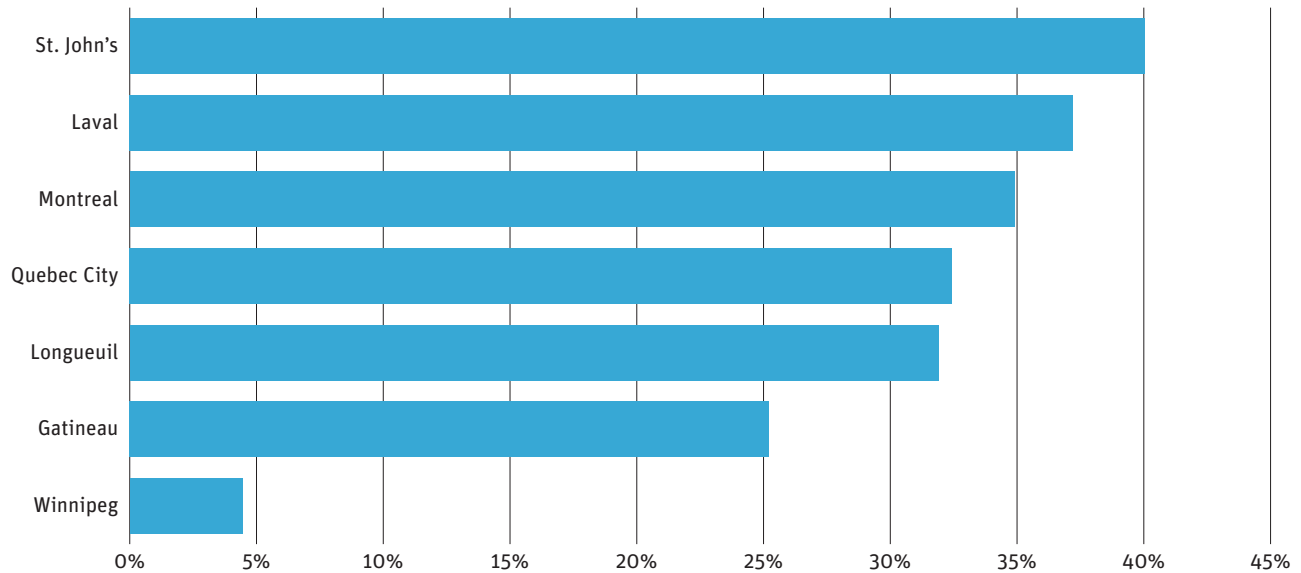


Market rates in set-fee provinces

As noted earlier, there are four provinces with at least 50% of their services using set-fee/operational funding regimes²⁰: Quebec, Manitoba, Prince Edward Island and Newfoundland and Labrador. As in previous surveys, we’ve surveyed and separated out the market-fee centres from the set-fee centres in the five Quebec cities, Winnipeg and St. John’s.²¹

As shown in Figure 9, the proportion of spaces that are in the market system remains below 50% of the spaces in each of these cities. As such, the median fee in each city is the set fee, as reported in Figures 6 through 8. However, in most of the set-fee cities, with the exception of Winnipeg, a significant minority of the spaces are at market prices. St. John’s has the highest proportion of spaces at market rates, at 40%. It was only in 2019 that more than half of St. John’s spaces moved into the new set-fee category. Laval,

FIGURE 9 Proportion of spaces at market prices in set-fee provinces



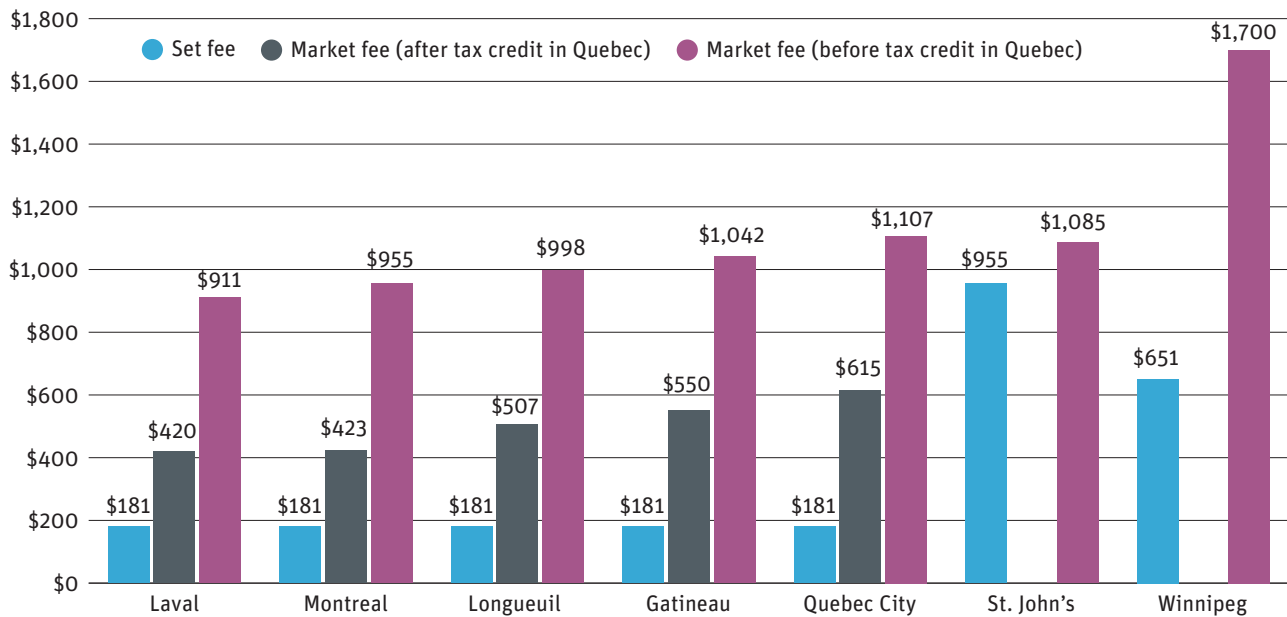
Montreal, Quebec and Longueuil all have roughly a third of their spaces at market rates, while Gatineau has a smaller proportion (25%) of its spaces at market prices. Winnipeg has by far the smallest market sector, with only 4% of its spaces charging market rates instead of Manitoba's set fees.

Market infant fees in provinces with set fees

When child care services are not receiving substantial operating funding, the market fees that result are, by default, high. For instance, the market infant fees in Winnipeg, at \$1,700 a month, rival infant fees in Toronto. St. John's infant market fee is mid-range compared to the other Canadian cities surveyed. In the case of St. John's, the infant set fee of \$955 a month is not substantially below the market rate of \$1,085 a month but, as noted previously, the set fee was quite high.

Quebec is a particularly interesting case in which to compare market-fee centres with set-fee centres, as Quebec has developed a two-tier child care-funding system since 2009. Quebec's operationally funded Tier 1 of non-profit centres de la petite enfance and a relatively small number of for-profit centres began in 1997 with a set \$5/day parent fee. By 2020, the provincial government had increased those fees to \$8.35/day.²² (Between

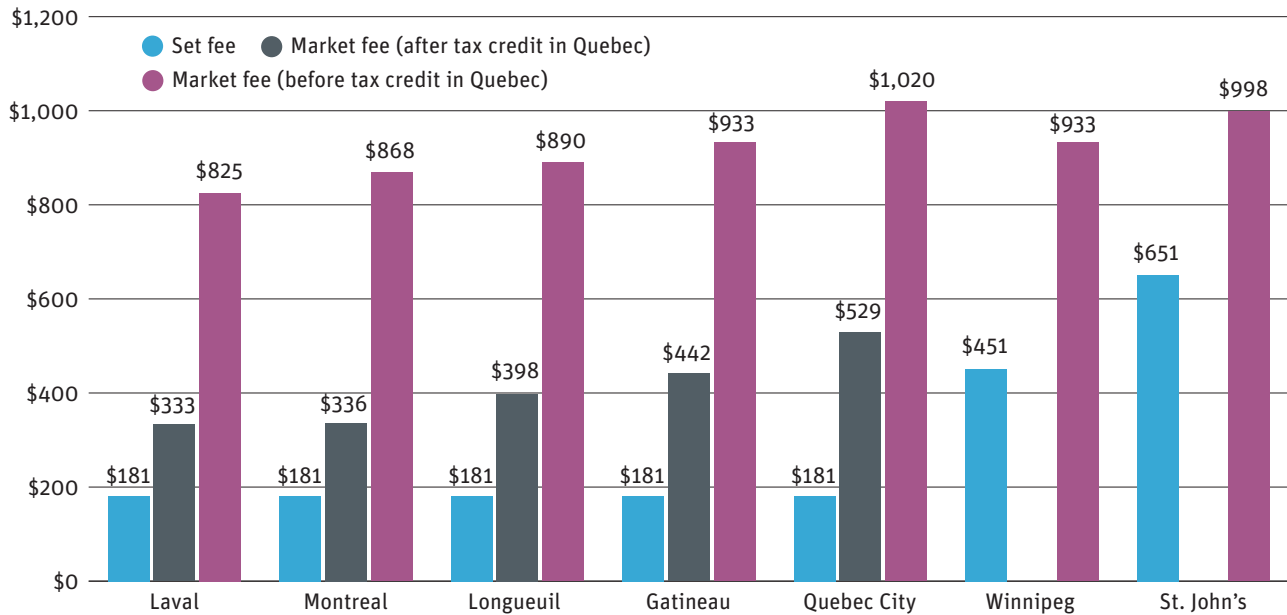
FIGURE 10 Median monthly infant market fees vs. set fees in selected cities, 2020 (monthly)



2014 and 2019, Quebec used a sliding fee scale). In this period, fees could be as high as \$21.95/day, based on income. The flat fee was re-established in 2019. In parallel, beginning in 2009, Quebec developed Tier 2. Quebec incentivized growth of “unfunded” for-profit centres, which set their own market fees, through a refundable provincial tax credit. Through the tax credit, parents are reimbursed between 26% and 75% of eligible child care expenses, depending on their income and the child care fee charged. That is, the parents are funded through the tax credit, not the centres. A number of research studies indicate substantial quality differences between the centres de la petite enfance and the market centres.²³ Between 2009 and 2019, these “non-reduced contribution” for-profit centres multiplied their numbers by more than tenfold, now providing nearly 70,000 spaces. In February 2021, the Quebec Minister of the Family announced that Quebec would be studying ways to address the issues that have arisen regarding the two tiers in Quebec and would be producing a White Paper on child care development.²⁴

Market fees in the “unfunded” centres in Quebec cities would be in the middle of the range of Canadian cities generally (in Figure 6), with infant fees between \$900 and \$1,100 a month. Factoring in the tax credit rebate reduces the net market fees by roughly half. However, even at these lower

FIGURE 11 Median monthly preschool-age market fees vs. set fees in selected cities, 2020



amounts, parents in the market system end up paying several times more than parents in the set-fee system. This disparity, as shown in Figure 9, impacts 25% to 37% of children in child care in Quebec's big cities.

In the text, toddler fees are not included, since toddlers and preschool-age children have one fee in Quebec and there are relatively few for-profit centres in Winnipeg. However, those figures are available in Appendix A.

Market preschool-age fees in set-fee cities

As with infant fees, in every city examined except Charlottetown, the market fee for preschool-age children was well above the provincially set fee. In Quebec, Quebec City has the largest gap between the market fee and the set fee for preschoolers. As with infant fees, the Quebec tax credit roughly halves what parents will pay. However, even with the tax credit, fees for a preschool-age child in Quebec City are three times more than for a preschool-age child in the set-fee system, as Figure 10 shows.

The St. John's market rate for a preschool-age space, at almost \$1,000 a month, is substantially higher than the set fee, at \$651 a month. This

disparity has grown larger in 2021 with introduction of the set fee, falling to \$543 a month, or \$25 a day.

Change in fees between 2019 and 2020

As noted earlier, many child care providers reported that they didn't increase their fees due to COVID-19 but increased them for other reasons. Figure 12 examines the change in median monthly preschool-age fees between 2019 and 2020. It includes the market fees in set-fee cities in addition to the set-fee median in the city. This allows readers to examine the change at the median for the entire city as well as the change in the median for the market rates.

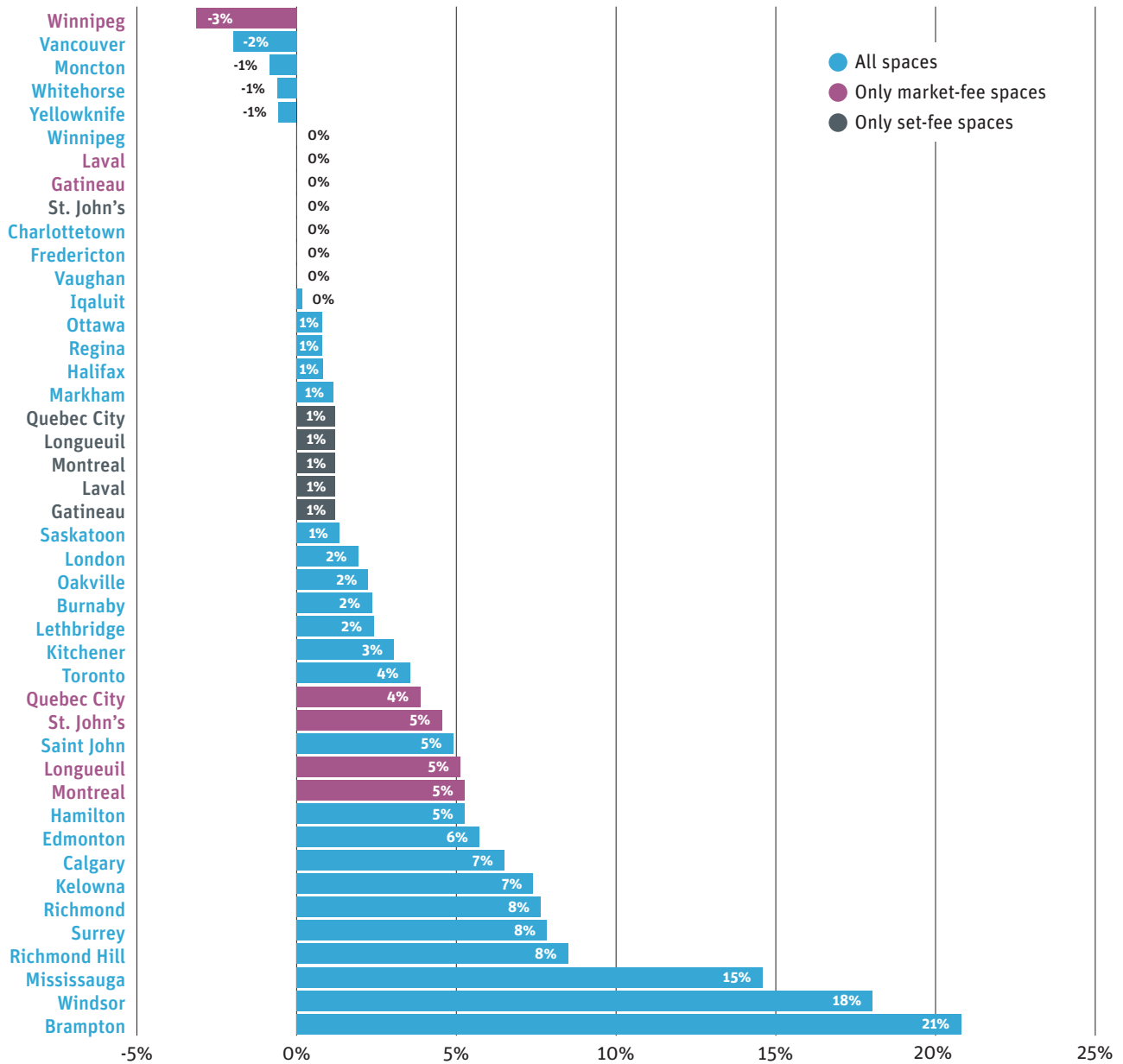
Broadly speaking, there weren't substantial changes in preschool-age fees pre- vs. post-pandemic. Of the 44 data points, 26 saw a change of under $\pm 2\%$ over the past year. Winnipeg's market fees fell slightly more than 2%, although, as noted above, this represents a very small portion of the overall spaces in that city.

The largest fee increases were found in Brampton, Windsor and Mississauga. In 2019, each of these Ontario cities had a municipally implemented fee reduction program that reduced fees by a set amount per day per child. This was in place in a number of Ontario cities in 2018 and 2019,²⁵ some of which used federal funds that originated with the Canada-Ontario bilateral agreement. The fee reduction programs were funded as part of federal money flowed through the province to municipalities. However, in 2020 these three programs expired, spiking the fees that parents paid and causing the increases evident in Figure 12. Windsor preschool-age spaces became \$6 a day more expensive while Mississauga and Brampton parents paid \$12 more a day for a preschool-age child, \$130 and \$260 a month respectively.

Kitchener's fee reduction of \$2 a day for preschoolers was also cancelled, but loss of its smaller amount had a more muted effect, resulting in a 3% increase in fees between 2019 and 2020. Hamilton also had a fee reduction program, but the city maintained it in 2020, avoiding a similar spike in Steeltown.

Fee increases since 2019 are also evident in several British Columbia cities, despite B.C.'s province-wide fee-reduction program. Vancouver's fees fell by \$19 a month, while Burnaby's rose by \$20 a month. The larger changes were seen in Kelowna, Surrey and Richmond, where fees rose between \$60 and \$73 a month. Those fees include the province's fee-reduction program of \$100 a month per preschool-age child in centres and \$60 a month in

FIGURE 12 Change in median preschool-age fees, 2019 vs. 2020



family child care. The fee reduction amounts haven't been increased since their introduction in 2019 and being part of the fee reduction program does not directly cap fees—it is only a reduction on pre-existing fees. However, the amount that providers can raise fees year to year, if they participate in the program, is intended to be limited. In 2021, the province has announced it will also begin directly capping fees of newly opened centres and family child care homes in a further attempt to reduce median fee increases.²⁶

Fees have risen in both Edmonton and Calgary since last year. Since 2017, Alberta had roughly 10% of its centre fees capped at \$25 a day. In 2019, 122 centres across the province were part of a pilot project, the \$25-a-day program. As of June 2020, the province withdrew support from 22 of them, forcing them back to charging market rates.²⁷ This is probably one factor driving up the median fee in those two Alberta cities. Another factor was that subsidy rates for lower-income families increased in August 2020 and experience shows that unless parent fees are controlled, providers often raise fees when subsidy rates are increased. It's important to note that this survey was conducted prior to the full end of the province's \$25-a-day project on March 31, 2021. It is expected that the impact of the remaining 100 centres losing their operational support will further increase Alberta's median fees in 2021.

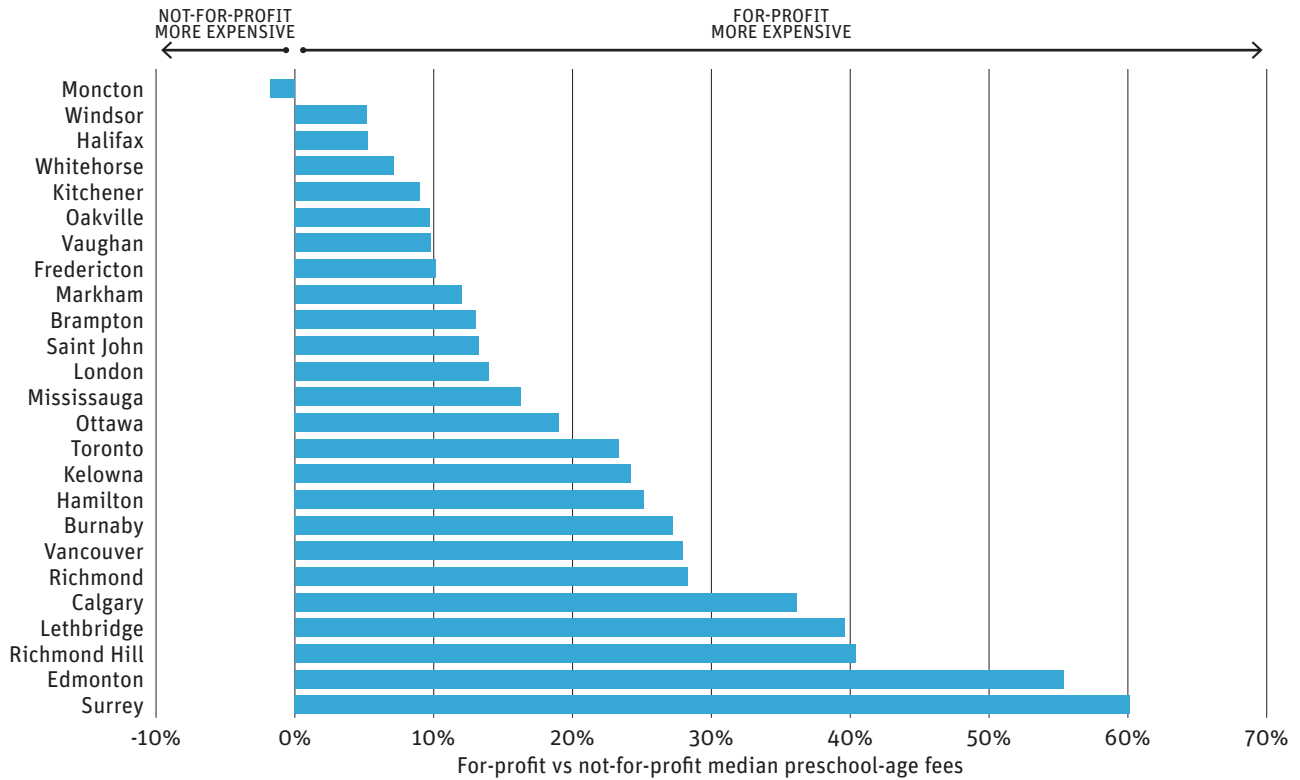
Overall, fees in 14 cities rose by between 5% and 21% since 2019. Of these, five were in Ontario, three were in British Columbia, two in Alberta, and one in New Brunswick. Market-fee centres in Montreal, Longueuil and St. John's also had large fee increases.

For-profit vs. non-profit fees

In almost every city in Canada, non-profit centres have lower fees than for-profit centres, as shown for preschool-age fees in Figure 13. This general finding is similar to the 2019 fees in last year's survey. Moncton is the only city where not-for-profit preschool-age fees are higher—by 2%. In every other city, for-profit fees are higher. The largest spread is found in the Vancouver suburb of Surrey, where for-profit centres charge 60% more than non-profits. In British Columbia, for-profit and non-profit centres are funded equivalently²⁸, as they are in Ontario and almost all provinces, with the exceptions of Manitoba, Saskatchewan and Quebec, which we have already described.

The spread is also large in the Alberta cities of Calgary, Edmonton and Lethbridge, where for-profit centres' fees are 36% to 55% higher than

FIGURE 13 For-profit vs. not-for-profit centre preschool-age fees, 2020²⁹



non-profit centres' fees. Some portion of the difference in Alberta is associated with the fact that only not-for-profit providers were permitted to be \$25-a-day operationally funded sites, which currently make up roughly 10% of all spaces. The 100 operationally funded centres that still received that funding at the time of our survey would have driven down the average fees for not-for-profits.

In some sectors of the economy, competition between market actors can drive down prices. That is not something that happens in the child care sector, as has been well documented. While research shows that for-profit centres are more likely to cut back on quality-related costs, such as staff wages and qualifications, as well as compliance with regulations, higher fees are an important source of the profit margin required in for-profit provision.

Conclusion

THIS YEAR'S ANNUAL SURVEY of parent fees in regulated child care took place during the COVID-19 pandemic. In this atypical year, it adds a special set of questions aiming to gain understanding of some of the impacts of the COVID -19 pandemic on regulated child care. The combination of these two areas of inquiry—parent fees and COVID-19 impacts—provides not only unique data about regulated child care during the pandemic but also insights into Canada's early learning and child care situation and parents' challenges with it.

The survey shows that fees for parents in most Canadian cities are still sky-high—horribly high in some cities—especially for parents with two children, let alone three. Fees are lower in provinces that set and cap parent fees, but even in those cases they aren't necessarily affordable for many parents. As previous years' surveys show, the lowest fees are in the provinces that provide substantial operational funding and then set and cap parent fees.

Despite the pandemic, preschool-aged median fees went up in most cities surveyed, although respondents mostly reported that the increases were not specifically due to COVID-19. Fees dropped slightly (by less than 2%) in a minority of cities. On the other hand, median fees in 16 cities rose by at least 4%. At the highest end of the range, we saw median fee increases of 15%, 18% and 21% in three Ontario cities, and 6% and 7% in Calgary and Edmonton. It's noteworthy that some fee hikes in these Ontario and Alberta cities were likely caused by the withdrawal of provincial policies aimed at

making child care more affordable. It's also noteworthy that in three British Columbia cities—Surrey, Richmond and Kelowna—fees went up by 7% and 8% despite province-wide wage reduction payments to services, but fees in Vancouver did not. The B.C. cities of Surrey and Richmond have the largest proportion of for-profit centres, while Vancouver has little for-profit child care.³⁰

The survey also showed that overall fees—in every city except Moncton, New Brunswick—were higher in the for-profit child care sector. The gap between non-profits and for-profits was as much as 60% in Surrey, B.C. In nine of the 25 cities with data³¹ in this analysis, for-profit fees were at least 25% higher; all of these were in provinces and territories in which public funding was equivalent between for-profit and non-profit providers. This finding has persisted since last year's survey and continues in this atypical pandemic year.

The survey reveals a substantial decline in enrolment in most cities prior to the pandemic's second wave and its associated workplace lockdowns in the early winter of 2021. The enrolment drop is being driven by a number of factors not addressed by this survey. These include centres not being able to find and retain staff, as is being reported anecdotally, and by a complex combination of parental factors, including lost jobs, health and safety concerns, parents working from home and/or parents withdrawing their children from child care programs to avoid paying the high fees that may be taking a very large bite out of reduced family incomes in the time of COVID-19. The data clearly show that high fees are a driving force in how likely parents are to stop using child care. This is well illustrated in Quebec, where the operationally funded, low-fee centres are experiencing small enrolment drops, if any, whereas the tax credit funded, market-fee, for-profit centres are experiencing substantial enrolment drops. We would expect this to continue to be a problem, since we know that many household incomes—especially mothers' incomes—have been reduced as a result of COVID-19.

The survey also suggests the relationship between some of the issues that families are experiencing as a result of the pandemic and the impact on child care services. Looking at the correlation between enrolment change and unemployment (one marker of what families have been experiencing) shows a fairly compelling correlation of -0.64 (from a possible 1 to -1). This shows that as unemployment increases in a city, so does the drop in enrolment. If parents aren't employed, they are less likely to have children in child care, especially, as these data show, if it is expensive child care. The

crisis of employment caused by COVID-19 thus has its knock-on effect on child care services that are heavily reliant upon parental fees.

The data on the decline in enrolment raises concerns about the future of child care. The pandemic has put regulated child care services in an even more precarious position than before. Funding policy that requires regulated child care services to self-fund from parent fees has exacerbated the already fragile situation in two ways: enrolment is down the most where fees are highest, thus programs that are dependent on parent fees to operate are suffering big revenue drops because of lower enrolment, with their ongoing operation more at risk.

When this pandemic is finally over, parents will need and want child care for their children but many spaces may no longer be available because of closures. This will have a real impact on the recovery, particularly for women attempting to fully return to full-time work. Canada's recovery will be dependent upon the ability of women, including those with young children, to contribute to a prosperous future.

The federal government indicates that it is considering child care as one of its priorities for the \$70-\$100 billion it will spend in the next three years rebuilding the economy. However, the pandemic isn't over for the child care sector and plans for expanding affordable, accessible and high-quality child care need to include both building a sustainable child care system post-pandemic and ensuring that services are there to build upon. There is a real threat of long-term damage to child care services and the child care workforce as a result of the decline in enrolment.

This survey continues to illustrate the clear need that families across the country have for reliable, affordable child care. The COVID-era enrolment data illustrates that relying on parent fees to finance what should be a reliable, sustainable, quality child care system to support families in good times and bad does not work.

The data in this unique year is consistent with data from this survey about the effects of public policy on child care fees: funding child care operationally, together with setting parent fees—as Quebec funds its Tier 1 centres, as Newfoundland and Labrador, Prince Edward Island and Manitoba now do—is the best way to stabilize parent fees and to make them more affordable. Expanding, and improving upon, this model is the foundation upon which to build child care services in the future.

Appendix

Methodology and detailed data

FUNDAMENTALLY, THIS IS a phone survey of child care centres, family child care providers and family child care agencies conducted between September 22, 2020 and November 13, 2020. Electronic communication was conducted upon request. When providers couldn't be reached, fees were taken directly from provider websites, if available.

The goal of the survey is to provide the median fees that a middle-class parent could expect to pay up front. Every province, except Quebec, has forms of child care subsidies geared to income for some families. The impact of those subsidies are not included in the fees reported, as they differ based on family income. The federal government and several provinces provide tax credits that can be claimed against child care fees, the most notable being Quebec. These are generally not included, although the Quebec credits are examined at limited points above. B.C. and several Ontario cities have provided “fee reductions” that reduce child care fees by a set amount and do so through providers. These fee reductions are included, since they directly reduce the fees that parents pay up front.

Several inputs are necessary to simulate the market fees that parents would pay in Quebec, including the Quebec child care tax credit. To determine what a parent would get back through the tax credit, we need to know family income and the fee that the parent is paying. For the purposes of this paper, the family income used is the median income of a family in that city with

at least one child under five. Then for each for-profit centre, the tax credit calculation is conducted with that centre's infant and toddler/preschooler fee, along with that city's median family income with young children. The resulting fee, after including the child care tax credit, is then included with all the other adjusted fees to create a median market fee, after the tax credit, in that city. This median is what is presented in Figure 10 and 11.

Median fees in a city are weighted by licensed capacity. Where licensed capacity isn't available, then enrolment is used. In other words, large centres with a lot of spaces will count more toward the median than will a single-family care provider with few spaces. Only full-day, full-week spaces are included. No part-time or part-week fees are included. Programs that include school-age children in after school programs, for example, are excluded.

Fees are charged on a variety of time frames, including daily, weekly, bi-weekly, monthly, school year and yearly. For the purposes of this report, all fees are converted to monthly amounts, assuming an average of 21.7 days per month, or 260 days a year.

TABLE 1 Detailed fees (2020)

| City name | Province | All fees (median) | | | Centre fees (median) | | | Home fees (median) | | |
|-----------------------------------|---------------------------|-------------------|---------|---------------|----------------------|---------|---------------|--------------------|---------|---------------|
| | | Infant | Toddler | Preschool-age | Infant | Toddler | Preschool-age | Infant | Toddler | Preschool-age |
| Vancouver | British Columbia | \$1,165 | | \$935 | \$1,110 | | \$910 | \$1,300 | | \$1,190 |
| Richmond | British Columbia | \$1,300 | | \$1,028 | \$1,350 | | \$1,028 | \$1,200 | | \$950 |
| Burnaby | British Columbia | \$1,000 | | \$870 | \$950 | | \$870 | \$1,000 | | \$910 |
| Surrey | British Columbia | \$1,050 | | \$917 | \$1,150 | | \$1,050 | \$900 | | \$830 |
| Kelowna | British Columbia | \$925 | | \$870 | \$958 | | \$870 | \$836 | | \$800 |
| Calgary | Alberta | \$1,300 | \$1,250 | \$1,145 | \$1,435 | \$1,295 | \$1,198 | \$1,000 | \$900 | \$900 |
| Edmonton | Alberta | \$1,050 | \$950 | \$925 | \$1,100 | \$975 | \$940 | \$885 | \$790 | \$885 |
| Lethbridge | Alberta | \$815 | \$900 | \$850 | \$1,055 | \$1,030 | \$850 | \$815 | \$816 | \$715 |
| Saskatoon | Saskatchewan | \$900 | \$810 | \$750 | \$995 | \$810 | \$750 | \$850 | \$800 | \$720 |
| Regina | Saskatchewan | \$850 | \$675 | \$625 | \$852 | \$675 | \$625 | \$775 | \$700 | \$650 |
| Winnipeg | Manitoba | \$651 | \$451 | | \$651 | \$451 | | | | |
| Windsor | Ontario | \$998 | \$868 | \$781 | \$998 | \$868 | \$781 | \$868 | \$857 | \$738 |
| London | Ontario | \$1,265 | \$1,191 | \$1,075 | \$1,265 | \$1,191 | \$1,075 | \$955 | \$944 | \$955 |
| Kitchener | Ontario | \$1,389 | \$1,149 | \$1,051 | \$1,641 | \$1,248 | \$1,051 | \$1,253 | \$932 | \$886 |
| Hamilton | Ontario | \$1,153 | \$1,027 | \$868 | \$1,411 | \$1,027 | \$856 | \$1,063 | \$1,153 | \$1,007 |
| Brampton | Ontario | \$1,549 | \$1,269 | \$1,153 | \$1,615 | \$1,284 | \$1,167 | \$890 | \$890 | \$781 |
| Mississauga | Ontario | \$1,606 | \$1,284 | \$1,194 | \$1,669 | \$1,318 | \$1,204 | \$1,042 | \$1,042 | \$1,042 |
| Oakville | Ontario | \$1,454 | \$1,280 | \$1,237 | \$1,584 | \$1,315 | \$1,237 | \$1,042 | \$998 | \$966 |
| Richmond Hill | Ontario | \$1,576 | \$1,327 | \$1,194 | \$1,650 | \$1,350 | \$1,230 | \$1,020 | \$1,020 | \$987 |
| Vaughan | Ontario | \$1,475 | \$1,250 | \$1,120 | \$1,500 | \$1,275 | \$1,120 | \$1,085 | \$1,085 | \$933 |
| Toronto | Ontario | \$1,866 | \$1,578 | \$1,250 | \$1,986 | \$1,710 | \$1,299 | \$1,091 | \$1,091 | \$989 |
| Markham | Ontario | \$1,460 | \$1,300 | \$1,194 | \$1,476 | \$1,324 | \$1,194 | \$1,161 | \$781 | \$1,194 |
| Ottawa | Ontario | \$998 | \$1,140 | \$1,018 | \$1,606 | \$1,350 | \$1,044 | \$998 | \$970 | \$970 |
| Gatineau | Quebec | | \$181 | | | | | | | |
| Laval | Quebec | | \$181 | | | | | | | |
| Montréal | Quebec | | \$181 | | | | | | | |
| Longueuil | Quebec | | \$181 | | | | | | | |
| Québec City | Quebec | | \$181 | | | | | | | |
| Iqaluit | Nunavut | \$1,411 | \$1,215 | | \$1,302 | \$1,215 | | \$1,411 | \$1,411 | |
| Yellowknife | NWT | \$1,015 | \$990 | \$885 | \$1,015 | \$910 | \$838 | \$1,085 | \$1,042 | \$1,085 |
| Whitehorse | Yukon | \$925 | \$850 | \$830 | \$925 | \$850 | \$830 | \$900 | \$750 | \$700 |
| Saint John | New Brunswick | \$868 | \$716 | \$697 | \$868 | \$716 | \$697 | \$803 | \$760 | \$716 |
| Moncton | New Brunswick | \$856 | \$716 | \$716 | \$856 | \$716 | \$716 | \$738 | \$738 | \$682 |
| Fredericton | New Brunswick | \$835 | \$716 | \$690 | \$835 | \$716 | \$690 | \$825 | \$760 | \$705 |
| Halifax | Nova Scotia | \$957 | \$853 | \$868 | \$996 | \$879 | \$879 | \$868 | \$814 | \$760 |
| Charlottetown | Prince Edward Island | \$738 | \$608 | \$586 | \$738 | \$608 | \$586 | | | |
| St. John's | Newfoundland and Labrador | \$955 | \$716 | \$651 | \$955 | \$716 | \$651 | | | |
| Only market priced centres | | | | | | | | | | |
| Gatineau | Quebec | \$1,042 | \$933 | | | | | | | |
| Laval | Quebec | \$911 | \$825 | | | | | | | |
| Montreal | Quebec | \$955 | \$868 | | | | | | | |
| Longueuil | Quebec | \$998 | \$890 | | | | | | | |
| Quebec City | Quebec | \$1,107 | \$1,020 | | | | | | | |
| Winnipeg | Manitoba | \$1,700 | \$1,181 | \$933 | | | | | | |
| St. John's | Newfoundland and Labrador | \$1,085 | \$933 | \$998 | | | | | | |

TABLE 2 Detailed COVID-19 results (2020)

| City name | Province | Enrolment change | % enrolment change | % centres can take infants | % centres can take toddlers | % centres can take preschoolers | % centre raised fees due to COVID |
|-----------------------------------|---------------------------|------------------|--------------------|----------------------------|-----------------------------|---------------------------------|-----------------------------------|
| Vancouver | British Columbia | -826 | -13% | 24% | | 35% | 0% |
| Richmond | British Columbia | -1,396 | -32% | 62% | | 70% | 0% |
| Burnaby | British Columbia | -599 | -20% | 30% | | 55% | 2% |
| Surrey | British Columbia | -1,585 | -23% | 52% | | 57% | 0% |
| Kelowna | British Columbia | -243 | -15% | 33% | | 51% | 5% |
| Calgary | Alberta | -6,962 | -31% | 71% | 75% | 76% | 4% |
| Edmonton | Alberta | -10,279 | -43% | 83% | 89% | 88% | 6% |
| Lethbridge | Alberta | -410 | -20% | 57% | 61% | 67% | 0% |
| Saskatoon | Saskatchewan | -758 | -27% | 71% | 56% | 58% | 4% |
| Regina | Saskatchewan | -865 | -24% | 52% | 69% | 63% | 4% |
| Winnipeg | Manitoba | -3,932 | -20% | 19% | 29% | 38% | 0% |
| Windsor | Ontario | -1,856 | -52% | 76% | 90% | 94% | 0% |
| London | Ontario | -1,740 | -33% | 68% | 66% | 78% | 2% |
| Kitchener | Ontario | -630 | -27% | 30% | 67% | 64% | 4% |
| Hamilton | Ontario | -1,956 | -34% | 57% | 65% | 76% | 7% |
| Brampton | Ontario | -3,368 | -50% | 91% | 95% | 93% | 7% |
| Mississauga | Ontario | -4,759 | -48% | 81% | 81% | 85% | 4% |
| Oakville | Ontario | -1,918 | -42% | 79% | 70% | 73% | 10% |
| Richmond Hill | Ontario | -1,996 | -54% | 75% | 90% | 94% | 0% |
| Vaughan | Ontario | -3,512 | -50% | 91% | 86% | 90% | 6% |
| Toronto | Ontario | -21,571 | -45% | 73% | 82% | 76% | 1% |
| Markham | Ontario | -3,592 | -60% | 100% | 82% | 96% | 2% |
| Ottawa | Ontario | -6,659 | -35% | 67% | 76% | 75% | 0% |
| Gatineau | Quebec | -139 | -3% | 2% | 0% | | 0% |
| Laval | Quebec | -29 | -0% | 2% | 18% | | 0% |
| Montréal | Quebec | -2,396 | -5% | 13% | 34% | | 0% |
| Longueuil | Quebec | -46 | -1% | 2% | 5% | | 0% |
| Québec City | Quebec | 15 | 0% | 3% | 7% | | 0% |
| Iqaluit | Nunavut | -89 | -31% | 25% | 33% | | 0% |
| Yellowknife | NWT | -40 | -11% | 0% | 0% | 25% | 0% |
| Whitehorse | Yukon | -199 | -17% | 43% | 43% | 50% | 0% |
| Saint John | New Brunswick | -342 | -21% | 18% | 56% | 68% | 8% |
| Moncton | New Brunswick | -440 | -21% | 48% | 63% | 75% | 3% |
| Fredericton | New Brunswick | -276 | -13% | 15% | 45% | 65% | 0% |
| Halifax | Nova Scotia | -826 | -23% | 56% | 68% | 64% | 4% |
| Charlottetown | Prince Edward Island | -49 | -20% | 23% | 27% | 63% | 0% |
| St. John's | Newfoundland and Labrador | -123 | -12% | 22% | 30% | 40% | 0% |
| Only market priced centres | | | | | | | |
| Gatineau | Quebec | -431 | -17% | 40% | 50% | 62% | 14% |
| Laval | Quebec | -1,848 | -30% | 88% | 88% | 83% | 12% |
| Montreal | Quebec | -8,653 | -31% | 71% | 85% | 81% | 9% |
| Longueuil | Quebec | -641 | -20% | 62% | 71% | 75% | 14% |
| Quebec City | Quebec | -274 | -5% | 11% | 29% | 31% | 25% |
| Winnipeg | Manitoba | -207 | -27% | 57% | 71% | 43% | 0% |
| St. John's | Newfoundland and Labrador | -81 | -10% | 50% | 29% | 63% | 13% |

TABLE 3 Survey methodology by city

| City name | Province | % of licensed spaces surveyed | Survey methodology |
|-----------------------------------|---------------------------|-------------------------------|--|
| Vancouver | British Columbia | | A random sampling of centre spaces and a random sampling of family providers were called |
| Richmond | British Columbia | | A random sampling of centre spaces and all family providers were called |
| Burnaby | British Columbia | 72% | All centres and all family child care providers were called |
| Surrey | British Columbia | | A random sampling of centre spaces and a random sampling of family providers were called |
| Kelowna | British Columbia | 66% | All centres and family child care providers were called. The precise number of spaces is unknown, survey rate is the proportion of centres and homes 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 | 63% | All centres and family child care agencies were called |
| Saskatoon | Saskatchewan | 74% | 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 | 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. |
| Winnipeg | Manitoba | | Set fees centres (<2 yrs:\$30/day, 2yrs -5 yrs:\$20.80/day), COVID questions methodology: a random sample of centre spaces were called |
| Windsor | Ontario | 65% | All centres and family child care agencies were called |
| London | Ontario | 82% | All centres and family child care agencies were called |
| Kitchener | Ontario | 79% | All centres and family child care agencies were called |
| Hamilton | Ontario | 78% | All centres and family child care agencies were called |
| Brampton | Ontario | 77% | 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 | 75% | All centres and family child care agencies were called |
| Richmond Hill | Ontario | 69% | All centres and family child care agencies were called |
| Vaughan | Ontario | 70% | 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 |
| Markham | Ontario | 74% | 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 |
| Gatineau | Quebec | 73% | Set fees (\$8.35/day), COVID questions methodology: all centers were called |
| Laval | Quebec | 74% | Set fees (\$8.35/day), COVID questions methodology: all centers were called |
| Montréal | Quebec | | Set fees (\$8.35/day), COVID questions methodology: a random sample of centre spaces were called |
| Longueuil | Quebec | 76% | Set fees (\$8.35/day), COVID questions methodology: all centers were called |
| Québec City | Quebec | 39% | Set fees (\$8.35/day), COVID questions methodology: a random sample of centre spaces were called |
| Iqaluit | Nunavut | 65% | All centres and family child care providers were called |
| Yellowknife | NWT | 89% | All centres and family child care providers were called |
| Whitehorse | Yukon | 71% | All centres and family child care providers were called |
| Saint John | New Brunswick | 86% | All centres and family child care providers were called |
| Moncton | New Brunswick | 71% | All centres and family child care providers were called |
| Fredericton | New Brunswick | 64% | All centres and family child care providers were called |
| Halifax | Nova Scotia | 72% | All centres and family child care providers were called |
| Charlottetown | Prince Edward Island | 100% | Set fees (<2 yrs:\$34/day, 2yrs:\$28/day, 3yrs-4yrs:\$27/day), COVID questions methodology: all centers were called |
| St. John's | Newfoundland and Labrador | 73% | Set fees (Inf:\$44/day, toddler:\$33/day, Preschool:\$30/day), COVID questions methodology: all centers were called |
| Only market priced centres | | | |
| Gatineau | Quebec | 72% | All centers without "reduced rates" were called |
| Laval | Quebec | 68% | All centers without "reduced rates" were called |
| Montreal | Quebec | 18% | A random sampling of centre spaces without "reduced rates" were called |
| Longueuil | Quebec | 70% | All centers without "reduced rates" were called |
| Quebec City | Quebec | 77% | All centers without "reduced rates" were called |
| Winnipeg | Manitoba | 96% | All centers that are "unfunded" were called |
| St. John's | Newfoundland and Labrador | 66% | All centers not receiving the "Operating Grant" were called |

Notes

1 Friendly, M., Forer, B., Vickerson, R. and Mohamed, S. (June 2020). “Canadian child care: Preliminary results from a national survey during the COVID19 pandemic.” Toronto: Childcare Resource and Research Unit; Ottawa, Child Care Now; Ottawa. Canadian Child Care Federation, pg 17 (<https://childcarecanada.org/publications/other-publications/20/07/canadian-child-care-preliminary-results-national-survey-during>).

2 Ibid.

3 Alana Powell & Carolyn Ferns. (May 2020). “From reopening to recovery: A plan for child care reopening in Ontario and moving to a publicly funded system.” Ontario Coalition for Better Child Care and Association of Early Childhood Educators Ontario. (https://www.aecce.ca/from_reopening_to_recovery?fbclid=IwAR2evRiDpAJCtqjkjGXmQyblLV4jVgQXqLoEVoMz7eFK4ADoQ7MVZsVF_Yo).

4 Ibid.

5 Ibid, pg 42.

6 See Table 18, Status of child care in Canada during the COVID-19 pandemic, in Friendly, M., Feltham, L.E., Mohamed, S., Nguyen, N. T., Vickerson, R., & Forer, B. (2020). “Early childhood education and care in Canada 2019.” Toronto: Childcare Resource and Research Unit.

7 This excludes the market fee subsections in set fee provinces that are also included in the graph.

8 It is worth noting that higher enrolment doesn’t necessarily mean higher attendance and the survey asked about enrolment, not attendance. For example, parents may be able to afford the \$8.35/day fee in Quebec to keep the space open for their child, whereas parents in high-fee centres may not be able to.

9 The Greater Toronto Area (GTA) includes the outer suburban cities that surround Metropolitan Toronto on three sides.

10 Jane Beach, personal communication.

- 11** See, for instance, the statement from Association of Early Childhood Educators, Ontario expressing that concern at the outset of the pandemic: “AECEO Statement on Covid-19,” March 13, 2020. (https://www.aeceo.ca/aeceo_covid_19_reso)
- 12** In Ontario, these were eliminated due to a ban on child care waiting list fees in 2017.
- 13** See Figure 10 of David Macdonald and Martha Friendly, “Developmental Milestones: Child care fees in Canada’s big cities 2018.” Canadian Centre for Policy Alternatives, February 2019.
- 14** This is derived for parents with preschool aged children who had children in child care prior to the pandemic. See Chart 1 of Statistics Canada, “Child care use during and after the COVID-19 pandemic.” July 29, 2020. (<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00062-eng.pdf>)
- 15** Ibid, pg 5.
- 16** Statistics Canada table 14-10-0380-01 for November 2020. The three-month rolling average from September to November 2020 roughly matches the time frame of this survey. Several cities with detailed child care enrolment data are only included in CMAs in Vancouver, Montreal and Toronto. In those cases, the CMA unemployment rate is listed for each city. Several cities in our survey weren’t included in unemployment rate data and so they were excluded from this figure.
- 17** For a complete list of how the provinces spent the federal Safe Restart transfer for child care see: David Macdonald, “Picking up the tab: A complete accounting of federal and provincial COVID-19 measures in 2020.” Canadian Centre for Policy Alternatives, January 2021.
- 18** Separating out set-fee and market-rate centres in set-fee provinces provides 44 data points although 37 cities were surveyed.
- 19** The set fee is indexed to inflation; it is \$8,50 a day in 2021.
- 20** At the time of the survey, Alberta and British Columbia also had a sector of set-fee/operationally funded child care, neither of which approached 50% of all services. The set fee at British Columbia’s set-fee services is \$10 a day and \$25 a day at Alberta’s. The Alberta \$25-a-day program is getting shut down by the provincial government. The process will conclude in March 2021, when the remaining \$25-a-day centres, which were funded by the federal government through Alberta’s bilateral agreement with the federal government, lose their operational funding.
- 21** In previous versions of this fee survey, market fees and set fees in Charlottetown were quite similar, so Charlottetown is not included in this analysis.
- 22** The Quebec fees are annually indexed.
- 23** See, for example, Cleveland, G. and N. Bigras. (2013) “The Determinants of Child Care Quality in Quebec: How Specification Matters.” University of Toronto Scarborough; Gingras, Lucie, Amélie Lavoie and Nathalie Audet. “Quebec Survey on the Quality of Educational Daycare—Grandir en qualité 2014: qualité des services de garde éducatifs dans les garderies non subventionnées.” Québec, Institut de la statistique du Québec, Vol. 3, 2015, pg 157.
- 24** Hugo Pilon-Larose. “La plus importante réforme depuis la création du réseau.” La Presse, February 16, 2021. <https://www.lapresse.ca/actualites/education/2021-02-16/services-de-garde-educatifs/la-plus-importante-reforme-depuis-la-creation-du-reseau.php>
- 25** A complete table of these programs can be found in Table 3 of David Macdonald and Martha Friendly, “In Progress: Child care fees in Canada in 2019.” Canadian Centre for Policy Alternatives, March 2020.
- 26** “Fee cap keeps child care spaces affordable,” Ministry of Children and Development, Government of British Columbia, January 14, 2021. <https://news.gov.bc.ca/releases/2021CFD0002-000045>

27 CBC News, “First phase of Alberta’s \$25-per-day daycare pilot ending in June, future funding uncertain.” January 15, 2020. <https://www.cbc.ca/news/canada/edmonton/day-care-pilot-project-alberta-1.5428548>

28 Note that British Columbia also provides capital funding to for-profits, which the other “equivalent” provinces don’t.

29 Note that Yellowknife, Iqaluit, Regina, and Saskatoon are not represented in this table. Neither Nunavut nor the Northwest Territories have any for-profit child care, while Saskatchewan has very little.

30 See Table 2 of David Macdonald and Martha Friendly, “In Progress: Child care fees in Canada in 2019.” Canadian Centre for Policy Alternatives, March 2020.

31 Some cities were not included in this analysis, as they were in provinces or territories with very small for-profit child care sectors or none.



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