

Continuing an Unwelcome Trend: Rising Early Learning and Care Fees in Edmonton

Rob Buschmann & Jennifer Fischer-Summers

April 26, 2021

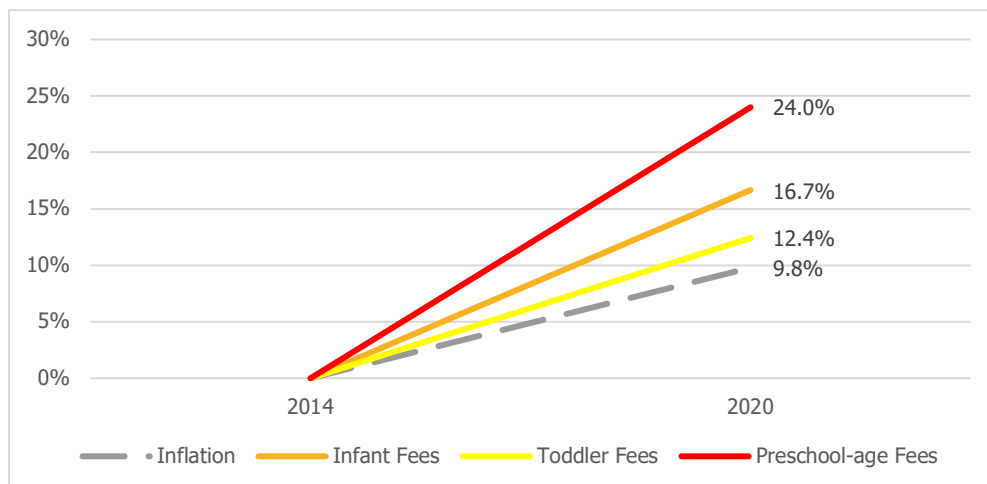
Fees in Edmonton in 2020

Every year since 2014, the Canadian Centre for Policy Alternatives (CCPA) has gathered information on child care fees in a number of Canada’s largest cities, including Edmonton. The latest report, which includes data from the fall of 2020, shows that fees for most programs serving children aged 5 years and under once again increased in Edmonton, continuing an overall trend of early learning and care (ELC) fees outpacing inflation in the city.¹

The CCPA report found that median fees for full-time ELC in Edmonton in 2020 were \$1,050 for infants, \$950 for toddlers, and \$925 for preschool-age children.² This is a one-year increase from 2019 of 3.6% for toddlers and 5.7% for preschool-age children, while infant fees saw a decrease of 2.3%. It is worth noting that this one-year increase for preschool-age spaces—the most common kind of spaces in Edmonton—was considerably higher than most of the other Canadian cities surveyed. It is also worth noting that while fees increased, median income among Edmonton’s families decreased in recent years.³

When tracking fee trends, year-over-year results can be subject to some statistical variation, which is why it is also important to consider the longer-term picture.⁴ Figure 1 illustrates how ELC fees have increased since 2014 compared to inflation in Edmonton.⁵ Median monthly fees for all three age groups have outpaced inflation in Edmonton over this period, with the most significant increase coming for preschool-age children (an increase of 24.0% against an inflation rate of 9.8%).

Figure 1: Percentage Increase in ELC Fees Compared to Inflation in Edmonton, 2014-2020





So, what does it actually mean for families that ELC fees have increased more than inflation since 2014? Table 1 shows the answer. If fees in Edmonton had increased at the inflation rate since 2014, families with young children would have paid considerably less for ELC than they actually did. For example, an Edmonton family with one preschool-age child in ELC in 2020 paid \$106 more per month, or \$1,272 more per year, than they would have had median fee increases matched the Edmonton inflation rate.

Table 1: Monthly Inflation-Only Fees vs. Actual Fees (\$), 2014-2020

Age Group	Inflation-Only Fee	Actual Fee	Difference
Infant	\$988	\$1,050	\$62
Toddler	\$928	\$950	\$22
Preschool-age	\$819	\$925	\$106

What Might the Future Hold for Fees in Edmonton?

If recent trends are any guide, fees will continue to increase beyond the inflation rate, and will continue to stress the budgets of families with younger children in Edmonton. Unfortunately, the most recent CCPA report contains indications that 2021 might bring fee increases that are above and beyond even what Edmonton has experienced in the past.

First, Edmonton, among all the cities surveyed in 2020, had the second highest difference between for-profit and not-for-profit ELC fees, with for-profit programs coming in as *55% more expensive* than not-for-profits.⁶ The CCPA report suggested that the gap was due in part to low fees in Alberta's ELCC (\$25/day) centres, all of which were not-for-profits. That gap likely will narrow in 2021 as the program ends and former ELCC centres raise their previously capped fees to make up for the loss in provincial government funding. This narrowing, of course, will come at the expense of Edmonton parents, as not-for-profit fees go up and start to resemble Edmonton's much higher for-profit rates. The report also showed that median fees are lower in cities in provinces that both provide substantial operational funding to ELC programs and cap ELC fees at set rates (that is, cities in provinces that have a large number of spaces in programs similar to Alberta's ELCC centre program). Together these facts suggest that with the end of the ELCC centre program in Alberta, Edmonton will end up with considerably higher fees in 2021.

Second, 6% of ELC programs in Edmonton reported increasing fees due to COVID-19.⁷ This may come as a relief, as earlier in the pandemic there were fears that mandated temporary closures and limited enrollment would force ELC programs to increase fees to stave off permanent closure. Federal and provincial supports for businesses may have allowed many programs to remain alive in 2020 without having to raise their fees. If these supports are reduced or cease in 2021, however, ELC programs in Edmonton may face a stark choice: increase fees (or cut costs) to survive—or close up shop entirely.⁸

Edmonton ELC programs will likely need stronger supports to continue to provide access to high-quality ELC in 2021 without substantially increasing their fees. Federal government supports might be able to head this off, as might supports from the provincial government, if they are well-crafted, appropriately targeted, and consistently funded. In the absence of these supports, though, ELC fees in Edmonton will likely continue to rise 2021, continuing to place more financial pressure on families of younger children.



This brief is part of a series of documents created by the Edmonton Council for Early Learning and Care to address current topics in early learning and care that impact Edmonton. Rob Buschmann is a Research Associate at the Community-University Partnership for the Study of Children, Youth, and Families at the University of Alberta. Jennifer Fischer-Summers is a Research Assistant at CUP. Correspondence can be sent to info@ecelca.ca.

¹ MacDonald, D. & Friendly, M. (2021). *Sounding the Alarm: COVID-19's impact on Canada's precarious child care sector*. Available at <https://www.policyalternatives.ca/TheAlarm>. Previous reports, which provide data on ELC fees for Edmonton and Calgary back to 2014, are also available on CCPA's website, and are the source for all Edmonton fees cited in this brief. To the authors' knowledge, there is no other comprehensive publicly available source for ELC fees in Edmonton or Alberta.

² This is an overall median that combines both centre-based ELC ("day cares") and home-based ELC ("day homes"). In Edmonton, centre-based ELC was generally more expensive than home-based ELC. This figure is only for licensed ELC programs and does not include out-of-school-care programs or preschools, neither of which provide full-day care.

³ Specifically, the latest numbers available show that between 2018 and 2019, median after-tax annual income (in constant 2019 dollars) for Edmonton's economic families decreased from \$107,900 to \$99,500. See Statistics Canada (2021). *Table 11-10-0190-01: Market income, government transfers, total income, income tax and after-tax income by economic family type*. Available at <https://doi.org/10.25318/1110019001-eng>. These data are for the Edmonton metro area, which includes both the city of Edmonton and outlying areas; no data more recent than 2016 are available for the city itself. Data for 2020 are not yet available, but given the COVID-19 pandemic it is likely median income continued to decrease in 2020.

⁴ For example, while the combined overall median infant fees in Edmonton decreased between 2019 and 2020 (from \$1,075 to \$1,050), the fees for centre-based spaces stayed the same (at \$1,100) and the home-based fees increased (from \$830 to \$885). These results may be due in part to the CCPA survey methodology for Edmonton, which is based on a random sampling for centre-based spaces and calls to all home-based agencies.

⁵ The Consumer Product Index (CPI) is the basis for calculating inflation rates. In 2014, the Edmonton metro area CPI was 131.8 and in 2020 (the latest year for which annual CPI is available), it was 144.7. CPI data are available from Statistics Canada (2020). *Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted*. Available at <https://doi.org/10.25318/1810000501-eng>.

⁶ Calgary and Lethbridge were not far behind, with for-profits charging 36% and 39% more than not-for-profits, respectively. See Figure 13 in MacDonald & Friendly, 2021, p. 32.

⁷ In comparison, 4% of ELC programs in Calgary and 0% in Lethbridge reported increasing fees due to COVID-19. See Figure 5 in MacDonald & Friendly, 2021, p. 20.

⁸ Funding from the federal government, announced on April 19, 2021 and intended to create affordable ELC across the country, could theoretically be used to support ELC programs as these COVID-19 support programs wind down. At this point, though, it is unclear how the funding will be directed, and how much of that money will come to Alberta. See Government of Canada (2021). *A Recovery Plan for Jobs, Growth, and Resilience: Budget 2021*. Available at <https://www.budget.gc.ca/2021/home-accueil-en.html>.