

Lack of Access to, and Affordability of, Childcare Hurts Ontario Businesses

Submitted by: Greater Sudbury Chamber of Commerce Co-sponsored by: Barrie Chamber of Commerce, North Bay & District Chamber of Commerce, Thunder Bay Chamber of Commerce, and Timmins Chamber of Commerce

Issue

Parents seeking child care face significant affordability and availability challenges in Ontario. The federal and provincial governments have begun to focus on childcare, but we need more immediate action at the provincial level. The new childcare agreement between the two senior levels of government is not a silver bullet solution, and the agreement has increased demand for childcare spots. This issue disproportionately affects female workers, who stay at home with younger children the majority of the time. We must advocate for childcare solutions that will bring more women back into the workforce at a time when businesses are desperate for more workers¹.

Background

Do you spend \$25,000 per year to put your child in daycare and return to work, extend your parental leave, or stay home with your child for the first few years?

This is a legitimate dilemma for many workers in Ontario. Many workers with children begin searching for childcare spots years before they need them, and they still find themselves on waitlists when the time comes for them to return to work². Economists Gordon Cleveland and Michael Krashinsky say the cost of not having childcare is borne by all businesses that have workers leave for extended periods to provide childcare. The impact can be primarily quantified by lost productivity, eroded skills, higher absenteeism, and increased mental health impacts on their employees³.

Ontario has the most expensive childcare in Canada⁴. The cost of childcare in Ontario went from an average of \$677 per month in 2011 to an average of \$1,600 per month in 2021⁵. The Financial Accountability Office of Ontario reports that mothers with young children have a labour participation rate that is 14.1 percentage points lower than fathers, which is four times higher than the gender gap of adults without young children⁶.

Childcare services face a massive labour crisis due to low pay, short staffing, and uncertain funding from the provincial government⁷. The Government of Canada and the Government of Ontario signed the Canada-Ontario Canada-wide Early Learning Child Care Agreement in 2022 to address

¹ <https://www.canada.ca/en/employment-social-development/campaigns/child-care.html>

² <https://toronto.citynews.ca/2023/07/24/gta-families-struggling-to-find-daycare-amid-implementation-of-10-day-child-care/>

³ <https://childcarecanada.org/sites/default/files/bc.pdf>

⁴ <https://arrivein.com/daily-life-in-canada/child-care-in-canada-types-cost-and-tips-for-newcomers/>

⁵ <https://simplysmartchildcare.com/how-much-is-the-cost-of-daycare-in-ontario-simplysmart-2/>

⁶ <https://www.fao-on.org/en/Blog/Publications/wilma>

⁷ <https://toronto.citynews.ca/2023/10/31/ontario-childcare-centres-concerned-about-keeping-doors-open-as-costs-balloon/>

childcare issues in Ontario⁸. Ontario was the last province to sign an agreement with the federal government. Ontario has a licensed childcare space for only 20% of all children⁹.

The agreement introduces fee reductions for parents that will see fees set to an average of \$10 per day by September 2025. It also includes minimum wage increases for early child educators and supervisors starting at \$18/hour and \$20/hour, respectively, and increasing \$1/year until the floor is \$25/hour. Early childhood educators in Ontario currently make \$16.55/hour on the low end, \$20.51/hour median, and \$28/hour on the high end, according to a November 2023 Job Bank update¹⁰. The funding provided to Ontario childcare centres increased by 2.75% to account for inflation, whereas the price of food alone went up 5.5% in 2022. This has put undue pressure on childcare centres suggesting they may have to close without more funding¹¹.

Ontario was the final province to sign an 'Early Learning and Child Care Agreement' with the Government of Canada. Over 92% of Ontario's licensed child care providers have signed onto the federal government's \$10-a-day program, with the remainder of the providers often charging \$2500 or more in major centres like Toronto. These providers have spots available, but then families need to pay their higher costs. The Ministry of Education said the province is building 86,000 new daycare spaces, but building spaces doesn't solve the worker shortage¹². The proposed spaces are less than half of the estimated 200,000 spots needed to alleviate Ontario's childcare wait times.

An underfunded and understaffed childcare system will lead to growing childcare costs¹³. Private childcare should continue, but we can not support the growth of one industry at the expense of the private sector suppliers that rely on their workers to have affordable and reliable child care.

Ontario must step up so our future generations are cared for while they're young, and parents can continue to work in this era of chronic short-staffing. Our economy depends on it.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. monitor the effects of the ratification of the *Early Learning and Child Care Agreement* between the governments of Canada and Ontario to ensure issues are addressed quickly;
2. create a long-term plan for childcare that supports families in Ontario with an eye toward future economic prosperity; and
3. make the availability of an adequate number of affordable daycare, preschool and after-school spaces a priority so that parents, particularly women, can return to the workforce to help address the labour shortage.

⁸ <https://www.cbc.ca/news/canada/toronto/ontario-child-care-deal-ford-trudeau-1.6399694>

⁹ https://www.childcareontario.org/parents_looking_for_child_care_click_here

¹⁰ <https://www.jobbank.gc.ca/marketreport/wages-occupation/5180/ON;jsessionid=7334BB3E1472EA13807D5965EC2BF1DB.jobsearch75>

¹¹ <https://toronto.citynews.ca/2023/10/31/ontario-childcare-centres-concerned-about-keeping-doors-open-as-costs-balloon/>

¹² <https://toronto.citynews.ca/2023/07/24/gta-families-struggling-to-find-daycare-amid-implementation-of-10-day-child-care/>

¹³ <https://www.cbc.ca/news/canada/toronto/ontario-child-care-1.6875384>