Some lucky Canadian families are paying far less for daycare. But $10 a day access is uneven and waiting lists have ballooned

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More than two years after the federal budget laid out a goal of universal, $10-a-day child care, some families are starting to see relief from monthly rates that have been described as a second mortgage payment.

The government plan to subsidize fees was designed to enable more families to afford daycare for preschoolers and free up parents to return to the work force. Although rates can fluctuate across the country, Ottawa pledged to see costs reduced to a national average of $10 a day.

But with less than three years to go before the 2026 target for those regulated fees, access to the low rate remains uneven and there are far from enough spaces to meet demand.

“Some parents have got the $10, and lucky them,” said Marni Flaherty, interim chief executive of the Canadian Child Care Federation, an Ottawa-based advocacy group. “It was almost like a lottery.”

Many families benefiting from the new subsidy, which has been rolled out at different speeds in different provinces, were already in regulated child care before the announcement. Others are sitting on waiting lists at many daycares that ballooned once people heard about the promise of cheaper rates, she said. (Not all child care centres have joined the federal program, and can still charge what they want.)

In Ontario, organizations that opted into the program were required to reduce their rates by half by Dec. 31, 2022, on the way to meeting the $10-a-day target. The lower costs have already produced meaningful financial relief for many families.

Manitoba, Saskatchewan, Nunavut and Newfoundland and Labrador “have all achieved $10-a-day regulated child care three years ahead of the national target,” said Mila Roy, a spokesperson for Employment and Social Development Canada.

Quebec and Yukon already had an average daily cost below $10, while the rest of the country has seen fee reductions of 50-60%, she said.

Manitoba started offering $10-a-day daycare in April, a move that lowers child care costs that were between $451 and $875 a month, according to a recent report by the Toronto-based Childcare Resource and Research Unit, to around $200.

Winnipeg-based financial planner Olayinka Brimoh said the savings came at a time of financial strain for many families struggling with interest-rate hikes and inflation, but noted that for the lowest-income families, $10 a day remains expensive, particularly if they have multiple children.

“If they are living in debt before or living just bare-bones, those kinds of people are still struggling,” he said, suggesting a targeted benefit at lower-income people might be more effective than a universal program. “I think it should be based on family income.”

Manitoba also offers $10-a-day care for school-age children, for care before and after school, and at lunch. But in other provinces such as Ontario, there has been no reduction in fees for children 6 and older.

Elaine Levy, vice-president of child care and family services at WoodGreen Community Services, which operates several daycares in east-end Toronto, said families accustomed to $10-a-day will feel sticker shock when their kids get to grade school.

“At some point in time, families will be paying far more for their children who are school-age than they would for an infant,” she said.

Each province has its own agreement with the federal government stating how it will enact the federal goals, **which include increasing the number of child care spaces. As of 2021, according to the Childcare Resource and Research Unit report, there were only enough daycare centre spaces in Canada for 28.4% of children up to the age of five** (a number that does not include home-based care).

Ms. Flaherty, of the Canadian Child Care Federation, described the federal commitment of $27.2B over 5 years to create an early learning and child-care system across the country as much-needed “transformational change.” But she said numerous aspects of its rollout – such as how to provide “appropriate compensation packages for early childhood educators” in order to increase staffing levels to meet the demand – haven’t been finalized and will take time.