

Atkinson Centre



Emerging trends in the development of the Canada-Wide Early Learning and Child Care Plan

This report addresses the increase in for-profit childcare and the updates on the status of the workforce.

For-profit expansions: recently received a request from Cairneagle, a consulting firm looking for expertise on childcare markets in Alberta, British Columbia, Ontario and Quebec. Demand for childcare real estate is high, the report said. Office space, restaurants and gyms shuttered by the COVID pandemic are literally getting a new lease.

[Alberta's For-Profit Expansion Plan](#) aims to fund 22,500 spaces for private operators. New Brunswick is adding 1,000 spaces to its for-profit supply, handing out [\\$270,000 per facility](#) to developers. Private schools and [home owners are eligible](#) for start-up grants in British Columbia. Ontario's support for commercial child care has been aided with [\\$213-million](#) for new spaces.

All these programs are funded by the federal government as part of its national child care plan, undermining Ottawa's pledge to prioritize public and non-profit child care. Only those jurisdictions that have traditionally excluded commercial operators from public grants have seen no new for-profit expansion.

Investors are finding additional ways to profit. The public will cover 85 percent of childcare operating expenses by subsidizing staffing costs and parent fees. Most provinces haven't curtailed extra billing for field trips, food and play supplies formerly covered by parent payments. Alberta advises operators to create ["profit and surplus" by "offering additional enhanced services"](#).

The childcare field is becoming so lucrative that there are now [brokerage firms](#) dealing exclusively in buying and selling centres, offering a range of price points for those wanting into the business, starting at under a [quarter million to over \\$3.6 million](#) (excluding the real estate).

Investor interest isn't adding to an increase in child care supply. Financiers shy away from developing new centres particularly in areas where the need is greatest, instead buying out existing facilities. In the UK, the U.S. and Australia similar government subsidies led to large corporations gobbling up small operators and childcare chains with no increase in service. Within 10 years of the UK government introducing a similar low fee subsidy, for-profit childcare took over [84 percent of the UK's child care supply](#).

For-profit growth will be an important part of the [Early Childhood Education Report](#) to be released February 23. Disturbing trends are emerging. For-profit growth has outstripped non-profit in Ontario and New Brunswick: risen 10 percent in Alberta and a shocking 20 percent by the province's own figures.

Hopefully the federal government will take this trend into account and put sustainable non-profit safeguards in place.

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