



MEASURING AFFORDABILITY OF CHILD CARE

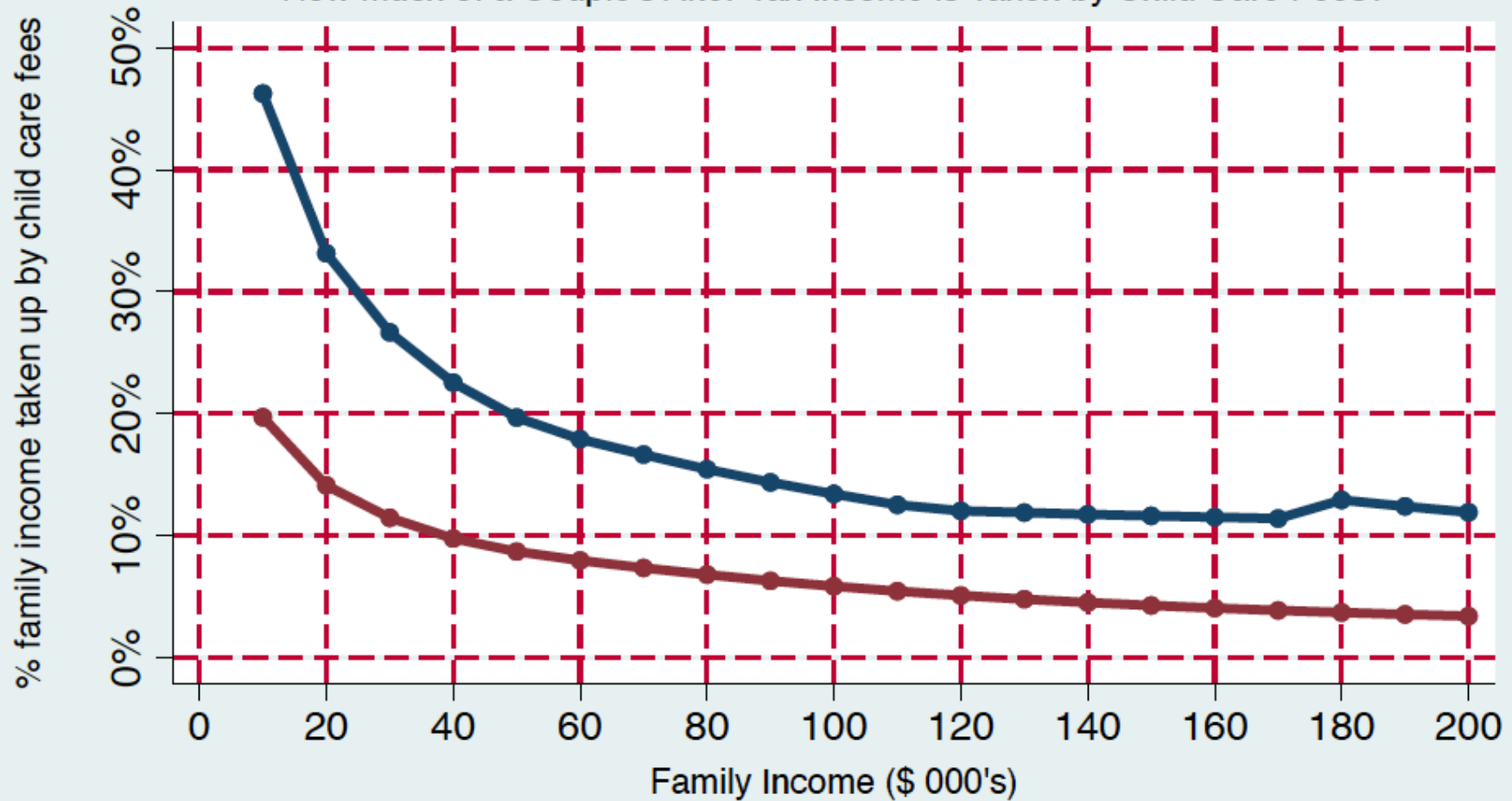
GORDON
CLEVELAND
UNIVERSITY OF
TORONTO
SCARBOROUGH

AFFORDABILITY RELATIVE TO FAMILY INCOME

- Affordability = Annual cost of child care to parents/Disposable income of family (i.e., after-taxes and child benefits). Called the Family Income Affordability Measure
- Two situations: (1) if fee for each child was \$10/day, (2) new operating grants and child care subsidy rules announced in “Canada-wide” agreement
- Couple family in Calgary, Alberta.
- Two children: one infant (1 year old), 1 preschooler (3 years)
- Median centre-based child care fees 2020 (from CCPA)

ALBERTA: COUPLE FAMILIES - Family Income Affordability Measure

How Much of a Couple's After-Tax Income is Taken by Child Care Fees?



—●— New Situation (Calgary) —●— \$10 a day affordability

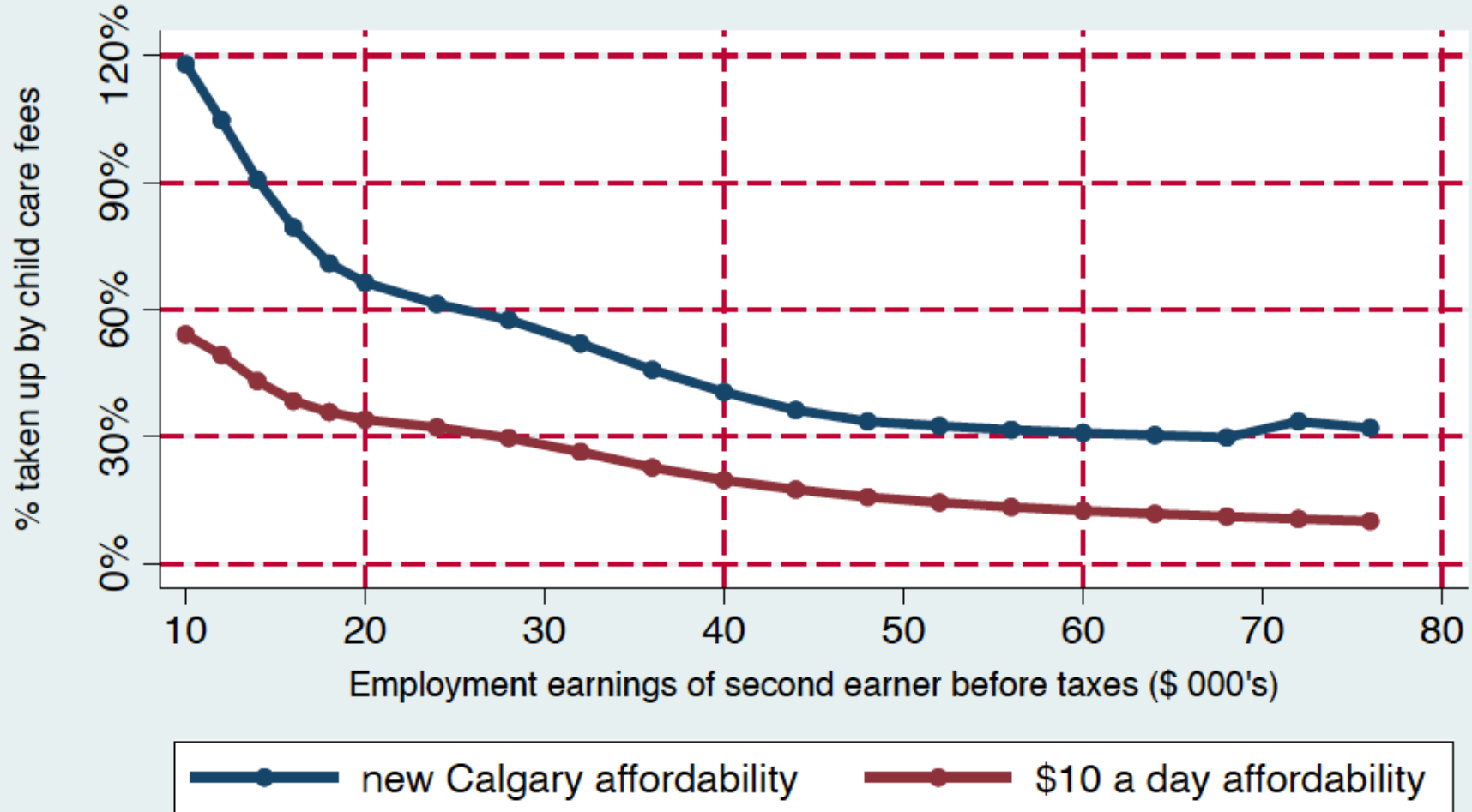
Couple family with 1 infant and 1 preschooler

AFFORDABILITY RELATIVE TO CHANGE IN FAMILY INCOME WHEN CAREGIVING PARENT ENTERS EMPLOYMENT

- Affordability = Annual cost of child care to parents / Change in disposable income of family when caregiving parent enters labour force. Called the Caregiving Parent Affordability Measure
- Two situations: (1) if fee for each child was \$10/day, (2) new operating grants and child care subsidy rules announced in “Canada-wide” agreement
- Couple family in Calgary, Alberta.
- Two children: one infant (1 year old), 1 preschooler (3 years)
- Median centre-based child care fees 2020 (from CCPA)

ALBERTA: COUPLE FAMILIES - Caregiving Parent Affordability Measure

If a Parent Returns to Work, How Much of the Change in After-Tax Income is Taken by Child Care Fees?



Subsidies are available to all eligible

Second earner in couple family with 1 infant and 1 preschooler

THE END

- Gordon.Cleveland@utoronto.ca
- www.childcarepolicy.net
- Twitter: @gordcleveland