

**The Alberta Early Learning and Child Care Sector  
14 months into the Pandemic:**

**Highlights from a National Survey on  
COVID-19 and Child Care in Canada**

**September 2022**



The Muttart Foundation

## Introduction

On January 25, 2020, Canada reported its first presumptive case of COVID-19, with the first case of community transmission recorded some six weeks later. Following a rise in community cases and the World Health Organization's declaration of a pandemic, provincial and territorial governments moved quickly in mid-March to declare states of emergency, beginning close to two years of widespread disruptions, as successive waves of infection impacted families, communities and businesses alike.

The pandemic hit early learning and care sectors across the country particularly hard. During its initial phase, the majority of regulated child care services were either required to close or limit their services to those workers deemed essential. And while services began to re-open in late spring and early summer, with new health and safety guidelines in place to reduce the risks of infection and virus transmission, many experienced much lower enrollments as the pandemic disrupted the home and working lives of Canadian families. Unlike other essential services, such as public schools, however, child care providers commonly lacked access to the public funding and infrastructure necessary to respond to the challenges the pandemic brought. The result was unprecedented pressures on organizations and staff alike, as service providers struggled to deliver the high-quality early learning and care that children and families needed and communities and economies required to remain functioning and viable.

In late spring 2020, during the initial weeks of the pandemic, the Childcare Resource and Research Unit, in partnership with the Canadian Child Care Federation and Child Care Now, conducted a national survey of regulated child care providers to gather data on the impacts of the pandemic.<sup>1</sup> The survey, undertaken when the majority of regulated child care services were either closed or limited in their service, revealed both the depth and breadth of the disruptions to child care sectors. It further highlighted significant differences in how child care sectors across the country fared during the early days of new public health mandates and service restrictions and drew attention to the challenges service providers anticipated as they returned to more normal levels of service.

During this initial phase of the pandemic, Alberta child care providers reported much higher levels of organizational and financial stress than their counterparts in other regions of the country. Similarly, they were more likely to anticipate additional challenges when services re-opened. Service providers attributed these difficulties both to the lingering effects of the provincial economic downturn that preceded the pandemic and to the more limited supports the Alberta government made available to the child care sector compared to those provided by other provincial and territorial governments.<sup>2</sup>

As a follow-up to this first survey, the Childcare Resource and Research Unit undertook a second national survey in April 2021, using a consenting list of respondents from the first survey. The goals of the second survey were to gather data on how service providers were faring one year into the pandemic and to provide an updated assessment of the state of child care sectors across the country.<sup>3</sup> The current

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<sup>1</sup> Friendly, M., Forer, B., Vickerson, R. & Mohamed, S.S. 2020. Canadian Child Care: Preliminary Results from a National Survey During the COVID19 Pandemic. Toronto: Childcare Resource and Research Unit; Ottawa, Child Care Now; Ottawa. Canadian Child Care Federation

<sup>2</sup> Muttart Foundation. 2020. Early Learning and Child Care in Alberta: Results from a National Survey During the COVID-19 Pandemic.

<sup>3</sup> Vickerson, R., Friendly, M., Forer, B., Mohamed, S. & Nguyen, N. T. 2022. One year later: Follow up results from a survey on COVID-19 and child care in Canada. Childcare Resource and Research Unit.

report looks at the follow-up survey results for the child care sector in Alberta. It replicates the approach used in the previous report on the results from the first national survey,<sup>4</sup> and compares the responses from Alberta child care providers to those from respondents nationally and in other select provinces.

### **National Follow-Up Survey**

As per the first national survey, completed in April 2020, the follow-up survey, completed close to one year later, used a reference week approach. The reference week was the period from April 26 to April 30, 2021.

The follow-up survey was sent to those regulated child care providers who participated in the first survey and indicated their interest in participating in a potential follow-up survey. Nationally, the follow-up survey generated 1,298 respondents (970 from centres and 328 from family child care providers). Nine hundred and twenty-seven of the centre respondents represented single centres and 43 multiple centres. The overall national response rate was 45 percent.

The follow-up survey collected data for 182 child care centres in Alberta and 38 family child care providers. Given the small number of responses from family child care providers, these data are not analyzed in the current report.

The non-probability sampling method used for the second survey means that there are potential biases in the sample that are unknown and cannot be appropriately assessed or compensated for through statistical measures.

### **Alberta Government Support for the Early Learning and Child Care Sector in 2020 and Early 2021**

As in much of the rest of Canada, most centre-based child cares in Alberta were required to close during the first few weeks of the pandemic, with a small number supported to re-open for the children of essential workers. Family child care providers were not subject to mandatory closure. The majority of centre-based child care services began to re-open in the late spring and early summer of 2020, following the lifting of mandatory closure orders. As part of the re-opening protocols, centres were required to implement new health and safety guidelines, including new smaller cohort requirements, to reduce the risks of infection and virus transmission.

Throughout much of the second half of 2020 and into the first quarter of 2021, Alberta child care centres reported much lower enrollments than prior to the pandemic.<sup>5</sup> At the end of March, 2021, the provincial enrollment level in licensed spaces was 58.7 percent - a significant decrease from the enrollment level of around 80 percent prior to the pandemic. The fall in enrollment was accompanied by a similar decrease in the number of certified early childhood educators working in the field, which

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<sup>4</sup> Muttart Foundation. 2020. Op. cit.

<sup>5</sup> See the Government of Alberta, Ministry of Children's Services Annual Report for 2020-2021 for information on enrollment in regulated child care.

declined from around 18,800 in March 2020 to just under 15,000 in March 2021<sup>6</sup> and 13,172 in June 2021.<sup>7</sup>

To help regulated child care services accommodate new health and safety requirements and to partially compensate them for the fall in revenues linked to lower enrollment, the provincial government made a series of pandemic supports available. In the 2020-21 fiscal year, the Ministry of Children’s Services reported expenditures of just under \$130 million in relief for regulated child care providers including \$30 million through the *Child Care Relief Program*, \$72.9 million through the federal *Safe Restart Agreement* announced in fall 2020, \$11.1 million in reallocated funding under the 2019-20 federal-provincial *Early Learning and Child Care Bilateral Agreement* and \$15.7 million through the federal-provincial *Critical Worker Benefit Program*.

The above child care specific supports were complemented by a broader suite of financial benefits available to all eligible businesses. These included small grants for eligible organizations that saw their revenues fall significantly due to required closures or limits to their operations; access to capital and deferrals on loans or lines of credit; and the deferral of Workers Compensation Board premiums and education and municipal property taxes. Overall, the level of support the Alberta government made available to regulated child care services was lower than that provided by other provincial governments, a number of which introduced emergency or short-term program funding to help organizations address the significant fall in parent fee revenues and the parallel increase in service delivery costs.<sup>8</sup>

In addition to the above provincial supports, most regulated child care services in the province were also eligible to apply for the various financial benefits the federal government introduced during the first year of the pandemic. These benefits, which provided higher levels of support than provincial measures, included the Canada Emergency Wage Subsidy (CEWS) to cover staffing costs, the Canada Emergency Response Benefit (CERB), as well as Employment Insurance for those staff laid-off by their employer. Alberta businesses, including child care service providers, received significant financial support through the above federal programs as well as through other related business supports including the Canada Emergency Business Account (CEBA) and the Canada Emergency Rent Subsidy (CERS).<sup>9</sup>

## Survey Results

### Child Care Centre Status (open or closed)

The majority (93.5 percent) of Alberta child care centres were open during the reference week (April 26 to April 30, 2021), just as they were nationally (92 percent), with a much smaller proportion indicating that they were ‘temporarily closed’ (6 percent). This represents a significant change from spring 2020 when the majority were closed under public health orders. A small proportion of those centres that were open (8 percent) reported operating with temporary closures to some of their individual child care

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<sup>6</sup> Government of Alberta. 2021. Op. cit.

<sup>7</sup> Canada-Alberta Canada-wide Early Learning and Child Care Agreement – 2021-26. 2021.

<sup>8</sup> See the Childcare Resource and Research Unit’s state of child care during the pandemic summaries and tables: <https://childcarecanada.org/resources/issue-files/child-care-and-covid-19-canada/child-care-services-over-period-pandemic>

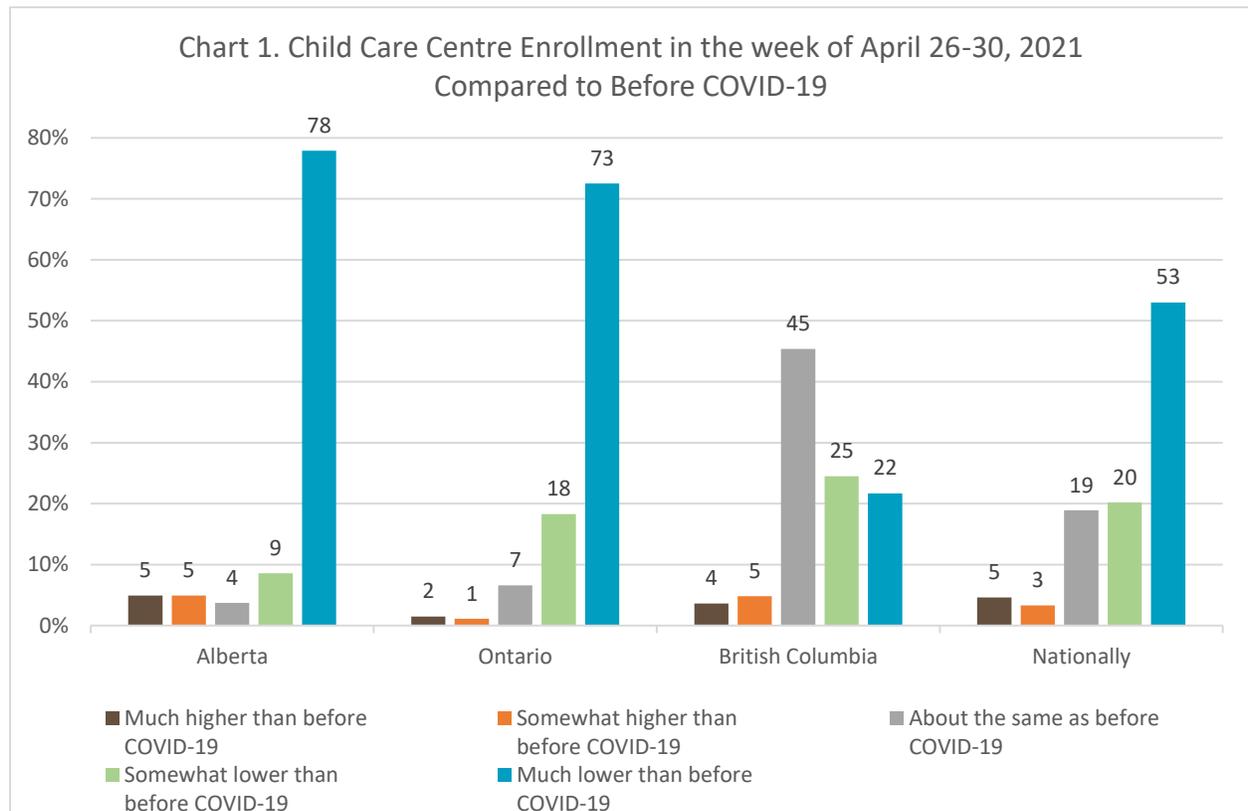
<sup>9</sup> [CEWS claims – detailed data - Canada.ca](#)

rooms. Less than one percent of the centres that responded to the survey indicated that the centre had permanently closed.

### Enrollment Levels

The majority of Alberta centres (86.5 percent) open during the reference week reported lower enrollment than prior to the pandemic, compared to 73 percent of centres nationally (Chart 1). The proportion of open centres reporting lower enrollment in Alberta was slightly lower than in Ontario (91 percent) but significantly higher than in British Columbia (47 percent).

Alberta centres were the most likely among reporting provinces (78 percent) to report ‘much lower’ enrollment than prior to COVID-19. Nationally, around half of centres (53 percent) reported ‘much lower’ enrollment, as did 72.5 percent of centres in Ontario and 22 percent of centres in British Columbia.



Alberta centres identified the following factors as contributing to lower enrollment: families’ ‘fears about COVID-19’ (80 percent); ‘some families stopped using the centre due to unemployment/less employment time/working from home’ (73 percent); ‘health and safety reasons’ (63 percent) and ‘parents are unable to afford child care fees’ (57 percent) (Table 1).

Nationally, centres most commonly reported families’ ‘fears about COVID-19’ (79 percent) and ‘some families stopped using due to unemployment/less employment time/working from home’ (76 percent) as the reasons for lower enrollment. In contrast to Alberta centres, just under one in four centres (23 percent) nationally reported parents’ inability to afford child care fees as a reason for lower enrollment, as did much smaller proportions of centres in Ontario (18 percent) and British Columbia (11 percent).

Similarly, centres nationally were much less likely to identify ‘health and safety reasons’ as factors contributing to lower enrollment (35 percent) than Alberta centres, as were centres in Ontario (21 percent) and British Columbia (31 percent).

**Table 1. Factors Contributing to Lower Child Care Centre Enrollment**

	Alberta (%)	Ontario (%)	British Columbia (%)	Nationally (%)
The centre has limited enrollment for health and safety reasons	63	21	31	35
The centre has temporarily closed some rooms	20	21	6	18
The centre has been unable to hire enough staff	6	15	26	17
Some families stopped using the centre due to unemployment/less employment time/working from home	73	85	68	76
Parents are unable to afford child care fees	57	18	11	23
Some families stopped using the centre due to fears about COVID-19	80	85	80	79
Other	18	48	6	34

When asked to identify the most important factor contributing to lower enrollment, four in ten (37 percent) Alberta centres reported ‘some families stopped using the centre due to unemployment/less employment/working from home’, while one in five (20 percent) identified ‘health and safety reasons.’ Just over one in seven (13.5 percent) Alberta centres reported parents’ inability to afford child care fees as the most important reason for lower enrollment.

Nationally, centres identified the most important reason for lower enrollment as ‘some families stopped using the centre due to fears about COVID-19’ and ‘some families stopped using the centre due to unemployment/less employment time/working from home’, both reported by 33 percent of centres.

### **Cases of COVID-19 Infection and Centre Closure**

Nationally, three in ten single-centre respondents reported that a centre (or room within a centre) had been required to close due either to a COVID-19 case or outbreak since August 2020. Two-thirds of these centres reported only one closure.

Nationally, the mean number of COVID-19 cases in children reported per centre was low (1.0 cases) as was the number of staff cases per centre (0.7 cases). Among individual provinces, Alberta and Quebec

reported a higher mean number of child cases (2.1 and 2.6) and staff cases (1.3 and 1.2) respectively than other reporting provinces, although again the number of reported cases was relatively low.

Just under half (45 percent) of survey respondents who reported for single centres in Alberta indicated that their centre had at least one COVID case among children attending the centre between August 2020 and May 2021. Just over one third of these centres (36.5 percent) reported three or more COVID-19 cases.

Four in ten (41 percent) single-centre respondents reported that their centre had at least one COVID-19 case among staff working at the centre, during the same period. A similar four in ten (41 percent) of these respondents reported three or more COVID-19 cases among staff members.

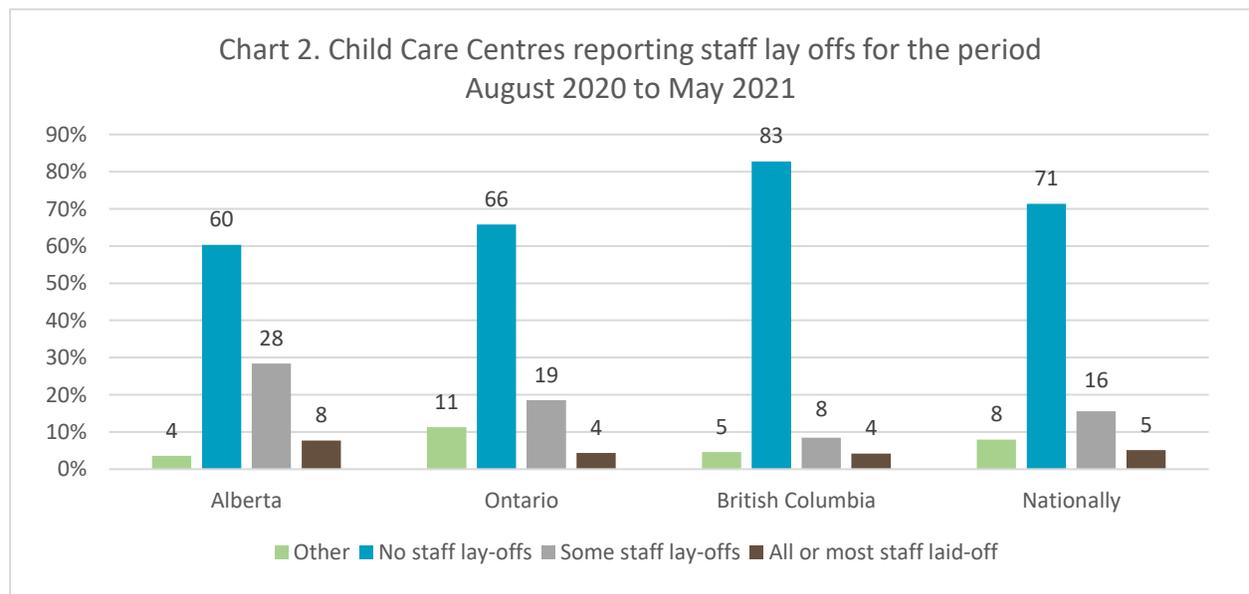
Nationally, six in ten centre respondents (58 percent) reported that most or all of their staff had received at least one COVID-19 vaccination compared to four in ten (42 percent) respondents in Alberta. The staff vaccination rate in Alberta centres was lower than the rate nationally and significantly lower than the rates reported by centres in Ontario (68 percent) and British Columbia (67 percent).

Just under two-thirds (64 percent) of Alberta centres reported providing staff with paid sick days, compared to 78 percent nationally. The proportion of British Columbia centres that reported providing staff with sick days (65 percent) was similar to that in Alberta, while the proportion in Ontario (87 percent) was much higher.

### ECE Workforce (Staff Layoffs)

Child care centres across Canada were much less likely to report staff layoffs one year into the pandemic than during its initial phases, when the majority of centres were closed under public health orders.

Just over a third (36 percent) of Alberta centres reported laying off staff between August 2020 (when most centres across Canada had re-opened) and May 2021, compared to 21 percent nationally, 23 percent in Ontario and a much lower 12 percent of centres in British Columbia (Chart 2).



Among those Alberta centres that reported staff layoffs during this period, 65 percent reported that ‘all’ or ‘most’ laid-off staff had since been rehired. This was a smaller proportion than reported by centres nationally (74 percent) in Ontario (70 percent) and in British Columbia (82 percent).

## Government Financial Support During the Pandemic

### General Federal COVID-19 Supports

Nationally, centre respondents reported accessing a number of general federal supports (those not specific to the child care sector) for both employees and organizations since the start of the pandemic. Overall, Alberta centres were more likely to report accessing federal supports than centres nationally and in other provinces.

Nine in ten (91 percent) Alberta centres reported accessing the Canada Emergency Wage Subsidy (CEWS) as compared to 95 percent of centres in Ontario and 41 percent of centres in British Columbia. Nationally, 77 percent of centres reported accessing the CEWS, which was the benefit centre respondents most commonly reported accessing (Table 2).

Just over half of Alberta centres reported accessing the Canada Emergency Business Account (CEBA) (53 percent) and the Canada Emergency Rent Subsidy (CERS) (51 percent). Alberta centres were much more likely to report accessing these federal supports than centres nationally (CEBA 26 percent and CERS 23 percent) as well as centres in Ontario (CEBA 17 percent and CERS 24 percent) and in British Columbia (CEBA 26 percent and CERS 10 percent).

**Table 2. Centres receiving federal benefits since the start of the pandemic**

	Alberta (%)	Ontario (%)	British Columbia (%)	Nationally (%)
Canada Emergency Wage Subsidy (CEWS)	91	95	41	77
Canada Emergency Business Account (CEBA)	53	17	26	26
Canada Emergency Rent Subsidy (CERS)	51	24	10	23
Did not receive any of the above	5	4	48	19

Only a small proportion of Alberta centres (5 percent) reported accessing none of the above three federal benefits since the onset of the pandemic. This is similar to the proportion of Ontario centre respondents that reported accessing none of the above benefits, but much lower than centres nationally (19 percent) and in British Columbia (48 percent).

The vast majority of Alberta centres (95 percent) reported that the general federal benefits they accessed were either ‘very important’ or ‘quite important’ to their overall financial health. Nine out of ten centres nationally (92 percent) and in Ontario reported the same, as did a slightly lower 86 percent of British Columbia centres.

Similarly, nine out of ten Alberta centres (92 percent) reported that federal benefits were either ‘very important’ or ‘quite important’ in preventing the centre from closing, as did 85 percent of centres nationally, 94 percent of centres in Ontario and 80 percent of centres in British Columbia.

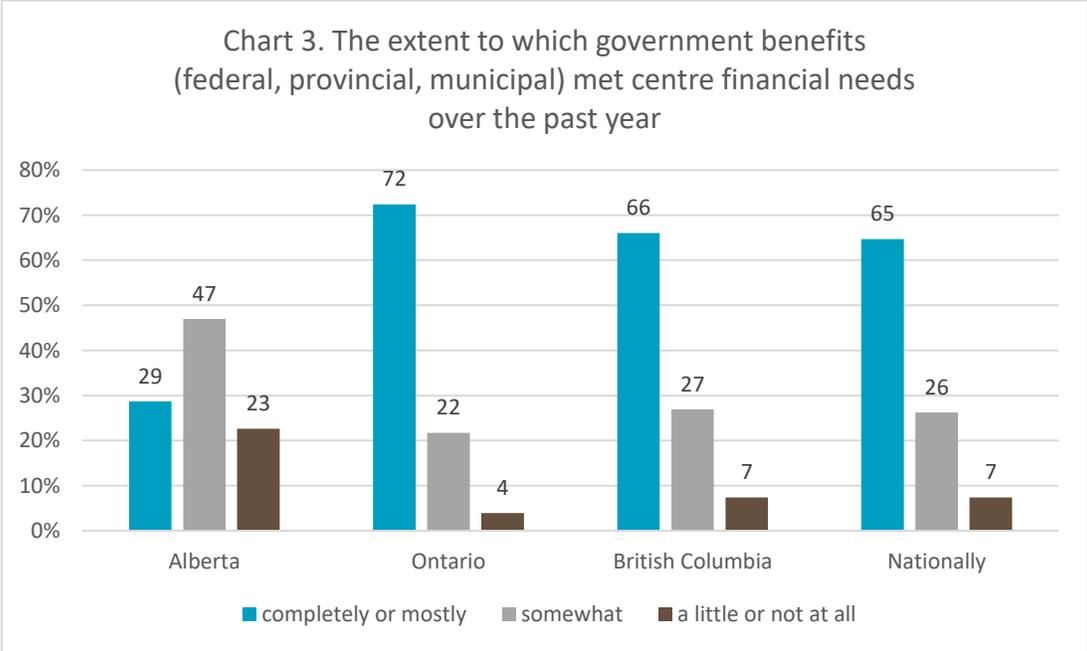
**Additional Government (federal, provincial, and municipal) Supports**

Seven in ten (69 percent) Alberta centres also reported accessing additional government financial support (from one or more levels of government) to help them manage the financial stresses of the pandemic. The proportion of Alberta centres that reported receiving additional government supports was similar to that of centres nationally (70 percent) and slightly lower than that reported by centres in Ontario (72 percent) and British Columbia (75 percent). Nine in ten of these Alberta centres (91 percent) reported receiving additional support from the provincial government and four in ten (40.5 percent) from the federal government.

**Employee Benefits**

Nationally, the majority of centre respondents (more than 90 percent) reported that, to their knowledge, staff laid-off during the pandemic had applied for and received at least one federal benefit since the start of the pandemic.

Eight in ten (79.5 percent) Alberta centre respondents reported that, to their knowledge, laid-off staff had applied for and received the Canada Emergency Response Benefit (CERB) and 58 percent reported that staff had applied for and received Employment Insurance (EI). By comparison, 93 percent of Ontario centre respondents and 86 percent of British Columbia centre respondents reported that staff had applied for and received the CERB, while 59 percent and 41 percent respectively reported that staff had applied for and received EI.



## Benefit of Government Financial Supports

Alberta centres were the least likely (29 percent) among reporting provinces to indicate that the supports they received from the different levels of government (federal, provincial and municipal) had either ‘completely’ or ‘mostly’ met their financial needs over the last year. By comparison, the proportions of centres nationally (65 percent) as well as in Ontario (72 percent) and British Columbia (66 percent) that reported that government (federal, provincial and municipal) supports had either ‘completely’ or ‘mostly’ met their financial needs were much higher (Chart 3).

Further, just under a quarter (23 percent) of Alberta centres reported that the supports from the different levels of government had met their financial needs either only ‘a little’ or ‘not at all’ over the previous year, compared to much smaller proportions of centres nationally (7 percent) and in Ontario and British Columbia (4 percent and 7 percent respectively).

## Centre Financial Health Compared to Before COVID-19

Alberta centres were the most likely among reporting provinces to rate their financial health as ‘much worse than before COVID-19.’ Just over half of Alberta centres (53 percent) rated their financial health as ‘much worse’, compared to one in five centres nationally (21 percent) and in Ontario (20 percent) and one in six centres (16.5 percent) in British Columbia. Nationally, and in Alberta, a minority of centres rated their financial health as either ‘much better’ or ‘somewhat better’ than prior to the pandemic (10 percent and 5 percent respectively) (Table 3).

**Table 3. Child Care Centres current financial situation compared to prior to the pandemic**

	Alberta (%)	Ontario (%)	British Columbia (%)	Nationally (%)
Much better than before COVID-19	2	1	2	3
Somewhat better than before COVID-19	3	3	9	7
About the same as before COVID-19	11	44	39	36
Somewhat worse than before COVID-19	29	27	33	29
Much worse than before COVID-19	53	20	17	21
Not sure	3	5	2	4

Nationally, those centres that reported their financial health as either ‘somewhat worse’ or ‘much worse than before COVID-19’ identified the following two main reasons for their poorer financial health: ‘lost or reduced parent fee revenue’ identified by 90 percent of respondents and ‘lost or reduced government funding’ identified by 31 percent.

Alberta centres that reported worse financial health cited the same two main reasons, with almost all respondents (99 percent) citing ‘lost or reduced parent fee revenue’ and just under half (45 percent) referring to ‘lost or reduced government funding’. Alberta centres were the most likely, among reporting provinces, to cite ‘lost or reduced government funding’ as one of the main reasons for their poorer financial health.

In commenting on the impacts or effects of their centre’s worse-off financial position, Alberta centres were the most likely among reporting provinces to identify difficulties ‘meeting wage/salary costs’ (76 percent compared to 44 percent nationally) and ‘meeting fixed costs such as rent/mortgage’ (70 percent compared to 33 percent nationally).

### Problems Facing Child Care Centres One Year into the Pandemic

One year into the pandemic, the majority of Alberta centres reported facing problems in all six aspects of service delivery explored as part of the survey, as did centres nationally. The proportion of Alberta centres reporting problems was higher than centres nationally in five of six aspects of service delivery, with the one exception that of ‘rehiring, retaining or attracting new staff’, an area in which 63 percent of Alberta centres reported facing difficulties (‘somewhat of a problem’ and ‘a big problem’) compared to 75 percent of centres nationally (Table 4).

**Table 4. Problem Areas for Child Care Centres One Year into the Pandemic Showing Level of Difficulty**

	Alberta			Canada		
	Not a problem (%)	Somewhat of a problem (%)	Big problem (%)	Not a problem (%)	Somewhat of a problem (%)	Big problem (%)
Staffing Difficulties	37	40	23	25	47	28
Costs of re-opening after a closure	27	51	22	48	44	7
Higher health/safety-related costs	7	32	61	10	56	34
Lower enrollment	4	23	73	19	32	50
Inadequate government funding	16	48	36	29	51	20
Lack of reserve funds	17	61	22	39	44	17

The service areas in which Alberta centres were most likely to report difficulties were ‘lower enrollment’ reported by 96 percent of centres compared to 82 percent nationally; ‘higher health/safety-related costs’ reported by 93 percent of centres compared to a similar 90 percent nationally; ‘inadequate government funding’ reported by 84 percent of centres compared to 70 percent nationally; the ‘lack of reserve funds’ reported by 83 percent of centres compared to 61 percent nationally; and the ‘costs of re-opening after a closure’ reported by 73 percent of centres compared to just over half (51 percent) nationally.

The two areas in which the majority of Alberta centres reported facing ‘big problems’ were ‘lower enrollment’ (73 percent of respondents) and ‘higher health/safety related costs’ (61 percent of respondents). Nationally, the proportion of centres reporting ‘big problems’ in these two areas were significantly lower (50 percent and 34 percent respectively).

## Child Care Service Provider Comments

Sixty-five Alberta survey respondents provided written comments on their experiences one year into the pandemic: 53 child care centre directors and 12 family child care providers. Respondents frequently commented on more than one aspect of their experiences in their written comments and, in almost all cases, either raised concerns about the financial health of their organization or identified specific service delivery challenges. Broadly, respondents' comments covered five related areas.

### Service Delivery Challenges and Financial Concerns

Thirty-four respondents identified service delivery challenges and the related financial difficulties that commonly flowed from them. The new cohort requirements introduced to reduce the risk of virus transmission presented particular challenges for service providers (8 respondents) as did new health and safety measures (5 respondents), both of which contributed to higher service delivery costs.

Five respondents identified the continuing problem of low enrollment, which they linked to families' loss of income and inability to afford the high costs of regulated child care. Four respondents identified the need for ongoing government funding to help centres meet increased service costs and/or address the revenue shortfalls resulting from low enrollment. Four raised concerns about the longer-term financial health of the sector after the pandemic.

Respondent comments include the following:

*If the expectation is to keep the cohorts small to prevent spread, then more funding is going to be required to help programs afford to stay open. We cannot afford to have extra staff, if there is not enough money coming in to cover wages. Eventually we will run out of money and have to close. (Child Care Centre respondent)*

*Due to cohort restrictions, illness, isolation, our expenses have increased drastically and our revenue has dropped. We have only been able to float due to the supports from government grants. Staffing has increased due to cohort guidelines. (Child Care Centre respondent)*

*CEWS is propping up the sector in Alberta and enrollment is still very low. If enrollment does not rebound prior to CEWS ending, a great number of centres will close. (Child Care Centre respondent)*

*Parents keep asking for discounts and money refunded when their child/ren have to quarantine but the expenses remain the same. The Government should come up with a plan to help centres with this issue. (Child Care Centre respondent)*

### Staffing Challenges

Twenty-one respondents identified staffing challenges. Ten commented on early childhood educators' low pay, five on the additional pressures on staff, three identified problems with staff shortages and three expressed concerns that child care staff were not included among those essential workers prioritized for vaccination.

Respondent comments include the following:

*I am concerned about staffing for the future. We cannot hire enough staff to cover all classes and cohorts to open & close plus have staff available for sick days and/or appointments. Additionally, we have LOTS of new families attending. We can not continue to increase enrolment when we can't find staff. (Child Care Centre respondent)*

*As we increase our registrations, we are going to struggle with hiring qualified staff, as there just are none available in our community. The increase in cleaning and sanitizing has added strain on my existing staff and that coupled with an outbreak of COVID-19 has really impacted the staff's "burn out" rate. (Child Care Centre respondent)*

*In Alberta our wage top-up has only been increased twice in 16 years and I feel that it is long overdue with the increased work and risk that our teachers take on a daily basis. (Child Care Centre respondent)*

*We have to staff every room from start to finish as we are not able to combine cohorts at the beginning or end of the day. Staff are burning out trying to complete all tasks in a day. We cannot financially afford to bring in extra staff for cleaning. (Child Care Centre respondent)*

*We need more support for our workforce. Wages are abysmal and with the added responsibilities and increased working hours to navigate ratios with cohorts they need better remuneration that is sustained. (Child Care Centre respondent)*

*The pandemic has been especially hard on childcare programs. We have been deemed essential but have not received the same level of support from our governments as other essential services have. (Child Care Centre respondent)*

### Government Funding

Thirteen respondents commented on government funding provided to the sector during the pandemic. Eight raised concerns about the level or nature of the funding provided, including its insufficiency to meet organizations' needs. Two respondents referenced previous cuts or changes in provincial government funding prior to the pandemic that had negatively impacted service providers. Two highlighted the importance of the government funding they had received during the pandemic.

Respondent comments include the following:

*We feel we will continue to need financial support for the coming months to ensure we can stay afloat as enrollment is still very low, yet salaries and expenses are still there. (Child Care Centre respondent)*

*Until the end of March 2021, we relied heavily on the federal multilateral childcare framework agreement funding we received through Alberta's ELCC pilot. The affordability grant meant that we were able to maintain enrolment and we were still able to cover about 55 to 60 percent of the fees for our two empty spaces. Now we are struggling to fill 1/3 of our spaces and facing staff reduction or complete closure if the situation does not improve within the next six months. (Child Care Centre respondent)*

*We are thankful for all the government funding that was available this last year, without it this program would have been closed permanently. (Child Care Centre respondent)*

### Changes in the Early Learning and Child Care Sector and its Longer-Term Future

Eleven respondents commented on changes in the early learning and care sector resulting from the pandemic while also looking ahead to opportunities to advance services. Three raised concerns about a perceived increase in families' use of private unregulated day homes. Eight emphasized the importance of building the universal, early learning and care system announced in federal Budget 2021.

Respondent comments include the following:

*I am very concerned with how many unregulated private day homes are providing care with no education in child development, best practices and ongoing professional development. I strongly feel this puts many children at risk to adverse outcomes. Universal, affordable childcare is so essential to move forward in this province and nationally. (Child Care Centre respondent)*

*We will be starting up like a brand new centre after the pandemic because most of our families and staff have moved on. Staff have started their own day homes or found new jobs. The families found other means of child care; parents have lost jobs; some families moved back to the provinces they had come from. (Child Care Centre respondent)*

*I would really like to see a universal childcare funding system to help parents remain in the workforce. Through this pandemic we have really seen the impacts on working mothers and families that require dual family incomes. Subsidy helps low-income families but really neglects the middle class that may be actually making less money than the low-income families once they have paid the atrocious cost of child care. (Child Care Centre respondent)*

*Until we have affordable child care for Alberta families the childcare industry will struggle. Our industry is very fragile and until a national child care program is implemented we won't be viable. (Child Care Centre respondent)*

### The Pandemic's Impacts on Children and Families

Five respondents commented on the impacts of the pandemic on children and families and raised concerns about children and families' health and well-being.

Respondent comments include the following:

*We believe that the impact that Covid has had on children will be greater than anyone believed. When we do have new children attending, they have so much anxiety as they haven't been around other children since they were born. (Child Care Centre respondent)*

*Children are suffering the most. We need to provide them with a stable environment. COVID guidelines and regulations are not allowing us much flexibility to do this. We need to plan for a generation of children who will be living in fear for a long time to come. (Child Care Centre respondent)*

## Discussion of Survey Results

The 2021 national child care survey provides some important insights into the state of the early learning and child care sector in Alberta just over one year into the pandemic. Most child care centres in the province were open and operational in late April, 2021, just as they were nationally. Alberta centres generally reported poorer organizational and financial health than centres in other regions of the country, however, and were more likely to identify service delivery challenges. On a positive note, the number of reported centre closures was very small, at least among those centres that participated in the second survey.

Despite an increase in enrollment between spring 2020 and spring 2021, the majority of Alberta centres still reported serving fewer children than prior to the pandemic and were the most likely nationally to describe their enrollment as 'much lower'. Alberta centres attributed these lower enrollments to families' fears about COVID-19 and changes in their employment status, the same factors centres identified nationally. Alberta centres also saw the new health and safety measures introduced to reduce the risks of virus transmission as well as families' inability to afford high child care fees as further contributing factors, concerns that centres in other regions of the country were much less likely to report.

Alberta centres, just like centres nationally, relied heavily on the general federal benefits introduced early in the pandemic (the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Business Account (CEBA) and the Canada Emergency Rent Subsidy (CERS)) to help them manage the fall in parent fee revenues and the parallel increases in service delivery costs. Overall, they reported the highest use of federal benefits among centres nationally and credited federal support with helping them both avoid closure and maintain some level of financial stability.

Despite their high rates of use of general federal benefits, as well as their access to other federal supports and provincial benefits, Alberta centres were the least likely among centres nationally to report that government funding (from all levels of government) had either 'mostly' or 'completely' met their financial needs. They were further the most likely to describe the government funding they received as inadequate and more likely to describe their financial health as 'much worse' than prior to the pandemic. The specific financial challenges Alberta centres reported included a lack of reserve funds and difficulties in meeting re-opening costs after a closure.

The financial difficulties Alberta centres reported translated into challenges in key areas of service delivery, including staffing. One in three reported staff layoffs between August 2020 and May 2021, compared to one in five centres nationally. Alberta centres were further the most likely to report difficulties in meeting staff wage and salary costs.

In their written comments, centre respondents raised concerns about the increased pressures on staff teams resulting from heavier workloads, staff absences due to exposure to the virus either at home or at work and the extra time required to follow the new health and safety measures introduced to lower the risk of virus transmission. They also drew attention to the longstanding problem of low staff wages as well as the unwillingness of the provincial government to designate early childhood educators as a priority for vaccination. Some respondents saw the latter two factors contributing to an erosion of staff morale in the field, with early childhood educators feeling that their work was not as valued as that of other workers deemed essential.

The poorer financial and organizational health of child care centres in Alberta one year into the pandemic, compared to centres nationally and in other provinces, appears linked to a combination of factors. First, the child care sector entered the pandemic on the heels of a downturn in the provincial economy that had already placed pressures on centre finances and operations. The provincial government had further discontinued specific child care supports, including the Benefit Contribution Grant, the Northern Allowance for early childhood educators and the stay-at-home parent subsidy, prior to the pandemic. The loss of this funding had a negative impact on service providers' and front-line staff's financial health and well-being.

Second, Alberta experienced relatively high rates of COVID-19 infection during much of 2020 and into the first quarter of 2021, as the provincial government struggled to effectively manage the pandemic. The second national survey was administered during a pending third wave of infection, with public concerns that the provincial government was moving too quickly to relax public health measures in advance of vaccines being widely available. These concerns likely contributed, at least in part, to the reluctance of some parents to return their children to centre-based child care, as did continued disruptions in their work and home lives.

Third, the provincial government made less public support available to regulated child care providers than did other provincial governments. The Alberta government relied on federal funding through the *Safe Restart Initiative* and *Critical Worker Benefit* to support child care organizations and staff during the first year of the pandemic, while directing service providers to apply for the general federal benefit programs. Unlike other provincial governments, such as that in British Columbia, the Alberta government chose not to provide emergency operational funding to child care centres impacted by falling enrollment and increased service costs, although it did provide service providers with one-time grants or investments. Based on the survey results, centre respondents found these one-time grants or investments insufficient to address the combination of reduced parent fee revenues and higher service delivery costs.

Looking ahead, as work continues on building the early learning and child care system outlined in the Canada-Alberta agreement signed in November 2021, the provincial government will need to carefully monitor the medium and longer-term impacts of the pandemic on the finances and operations of child care centres across the province. While enrollment has risen since the second national survey, and the number of certified staff working in the field has rebounded to close to pre-pandemic levels, many child care centres have not fully recovered from close to two years of service disruptions. The high proportion of centres which reported staffing difficulties in the second national survey is of particular concern given the longstanding workforce challenges facing the child care sector, including around the recruitment and retention of qualified staff. Similarly, the erosion of centre financial reserves allied with the ongoing higher service delivery costs associated with providing children and their families with safe early learning and care environments are longer-term issues that may require provincial government attention as system building begins.

A number of survey respondents saw the federal Budget 2021 commitments to system building as providing the child care sector with the public funding and infrastructure it needs to become more financially and operationally viable in the short- to medium terms. They anticipated that the new federal investments would help to transform the sector and provide families with improved access to high-

quality, affordable child care. Survey respondents saw the new federal investments as central to the sector's recovery and longer-term financial health and well-being.

## **Conclusion**

The first year of the COVID-19 pandemic significantly impacted early learning and child care sectors across Canada. Alberta child care centres were among the hardest hit with the combination of lower enrollments and falling parent fee revenues, service disruptions and rising service costs, significantly destabilizing centre finances and operations. The more limited support the Alberta government made available to the child care sector, as compared to that provided by governments in a number of other provinces, further left service providers more exposed to the above economic and service disruptions.

The challenges Alberta child care centres faced during the first year of the pandemic highlight the vulnerability of the provincial child care sector to major economic and social disruptions. They further reveal the importance of sustainable public funding and infrastructure in supporting the delivery of high-quality, affordable, child care. While the situation for individual child care centres has improved since the second national survey in spring 2021, many continue to face challenges after over two years of service and financial disruptions, including in the key area of staff recruitment and retention.

The fall 2021 Canada-Alberta Early Learning and Child Care Agreement provides the Government of Alberta with \$3.8 billion in new federal funding over five fiscal years to transform the Alberta child care sector. These new federal investments provide the basis for the move away from the current market-based approach, with its uneven distribution of modest quality services and the primary reliance on parent fees to cover service costs, to more of a publicly funded, and managed high-quality system of early learning and care.

The results of the two national child care surveys, administered in spring 2020 and 2021, highlight the need for new provincial investments to stabilize the finances and operations of child care centres as part of the first essential steps of system building. They also highlight the importance of new investments in the early learning and care workforce to ensure that child care centres can recruit and retain the qualified early childhood educators they need to provide families with improved access to high-quality child care.