

A Public Child Care System: The New Frontier of Equal Opportunity

Brief presented to the
**Government of New Brunswick
Child Care Sector Task Force**

By the
**New Brunswick Coalition
for Pay Equity Inc.**



51 Williams Street
Moncton, NB
E1A 5N2
506-855-0002
info@equite-equity.com

October 9, 2015

Introduction

The New Brunswick Coalition for Pay Equity is pleased to submit a brief to the Government of New Brunswick Child Care Sector Task Force.

The Coalition for Pay Equity is a group of 800 individual members and 91 organizations that educates and advocates for the adoption and the implementation of adequate legislation in order to achieve pay equity for all workers in both the public and private sectors.

Pay equity is equal pay for work of equal value. It is about recognizing the value of work predominantly done by women and ensuring that this work is paid the same as work predominantly done by men.

By extension, the Coalition wants women's participation in the workplace to be supported in our province. Early learning and child care is one issue that links many of our interests.

Our perspective

1. Pay equity for child care workers

New Brunswick child care workers (both program staff and program directors), like most other care-giving workers in the province, are particularly undervalued and underpaid compared to other provinces, as demonstrated in table 1.

Table 1. Some data on Early childhood education centers in Canada, seven provinces, 2012

	Canada	New Brunswick	Nova Scotia	Quebec	Ontario	Manitoba	Alberta	British Columbia
Average hourly wages (or median wages) (a)								
Program directors	\$22.00	\$15.00	\$17.56	\$32.64	\$22.50	\$24.70	\$20.00	\$20.83
Ratio relative to the Canadian average	100	68	80	148	102	112	91	95
Program staff	\$16.50	\$13.50	\$12.84	\$19.13	\$17.29	\$16.00	\$15.33	\$17.00
Ratio relative to the Canadian average	100	82	78	116	105	97	93	103
Ratio of staff income to that of the director	75	90	73	59	77	65	77	82

Source: Friendly, and *al.* (2013, p. 57-58, 66). This information was provided by provincial government officials responsible for Early childhood education.

- Notes:
- a) The source uses the term "Average (median) gross hourly wages", which is confusing because the average and the median do not measure the same thing. Perhaps some jurisdictions provided average wages and others provided median wages.
 - b) In these provinces, the figure applies to children aged 0 to 4 years because 5 year-olds are included in the figures for school-age places.

When the Coalition was set up in 2001, it was frequent to see child care educators earn the minimum wage. The Coalition argued that this was a perfect example of the undervaluation of female-dominated jobs.

As a result, the Government of New Brunswick announced in 2006 that it would conduct a pay equity program for this sector. Workers, employers and the government evaluated child care jobs based on the level of responsibilities, qualifications, working conditions and effort required. Child care jobs were then compared with male-dominated jobs.

When results finally came out in 2012, the Coalition observed that the "fair" wages calculated by the government¹ (table 2) were much too low because of the flawed methodology².

Table 2: "Fair hourly rates" resulting from the pay equity exercises in the Child Care Sector, New Brunswick

Job Category	Points	Average Rate	Fair Hourly Rate	Gap to correct
Child Care Sector – March 31, 2011				
Administrator/Primary Child Care Staff	751	\$16.33	\$14.17	-\$2.16
Primary Child Care Staff	590	\$13.32	\$13.15	-\$0.17
Support Worker	491	\$10.00	\$12.52	\$2.52
Foreman (male comparator)	855		\$14.83	
Maintenance Worker (male comparator)	387		\$11.86	

Economics Professor and pay equity expert Ruth Rose further examined the government results and confirmed the Coalition's concerns. Pay equity is based on the comparison of the value and wages associated to female vs male dominated jobs. In the absence of predominantly male jobs in the child care sector, the government used two outside male comparators: maintenance worker and foreman. Rose found that the wages for the male comparators were deflated (\$11.86 for the maintenance worker and \$14.83 for the foreman) while the foreman's job was overvalued (855 points) since its job description more or less corresponded to the one of the Administrator/Primary Child Care Staff, except that the foreman was not

¹ New Brunswick, Women's Issues Branch. 2012a. Child Care Sector, Pay Equity Program, 2012. <http://www.gnb.ca/0012/Womens-Issues/PDF/Child%20Care%20Sector%20Report%202012.pdf>.

² See: Coalition for Pay Equity. 2012. *Comment on the Results of the Government of New Brunswick's Pay Equity Program for Non-Legislated Sectors*. [http://www.equite-equity.com/userfiles/file/Brief_2012_pay_equity_3groups_ENG\(1\).pdf](http://www.equite-equity.com/userfiles/file/Brief_2012_pay_equity_3groups_ENG(1).pdf) Page consulted on October 8, 2015. An academic article was published based on this comment: Blaney, E., Johnston, W., Aucoin, L., & Perron, J. 2014. The government of New Brunswick's Pay Equity Program for Non-Legislated Sectors: A Just and Equitable Process? *UNB Law Journal*, vol. LXV, pp. 353-377.

required to also perform direct services. According to Rose’s analysis, fair hourly rates should have been higher for all child care workers (table 3).

Table 3. "Fair hourly rates" resulting from the pay equity exercises in the Child Care Sector with a wage of \$14.56 for the Maintenance Worker and \$24.27 for the Foreman and with a reduction of the points accorded the Foreman, New Brunswick, 2012

Job Category	Points	Average Rate (a)	Fair Hourly Rate	Gap to correct
Child Care Sector				
Administrator/Primary Child Care Staff	751	\$16.33	\$24.27	\$7.94
Primary Child Care Staff	590	\$13.32	\$19.97	\$6.65
Support Worker	491	\$10.00	\$17.33	\$7.33
Foreman (male comparator)	751		\$24.27	
Maintenance Worker (male comparator)	387		\$14.56	

Note: a) The average rates are those applicable as of March 31, 2011 in the case of the first three sectors, and as of March 31, 2013 in the case of the community residences, while our assessment of the fair rates applies to 2012. These different dates must be taken into account when the wage adjustments are determined.

The government has promised to review its pay equity methodology. The Coalition wants to stress that the New Brunswick child care system must be based on fair wages, as defined by accurate pay equity methodology.

That will be a major stone in building a cohesive, quality child care system since staff wages is an indicator of child care quality. Higher pay will attract qualified workers and reduce turnover.

The current wages discourages people from undertaking child care training. It actually fails those who do. Trained workers often move to higher paid jobs in other sectors after only a few years in the field.

In fact, in an effort to keep costs low, New Brunswick weighs in favour of low wages and low training requirements. A study showed that “of seven provinces, New Brunswick and Alberta had the lowest requirements for education and training for early childhood educators and caregivers. In both cases, only one quarter of the staff in a centre is required to have specific training, and the training is one year after secondary school (or a total of 13 years of schooling). In Nova Scotia and British Columbia, the educational level is about the same, but at least half of the staff is required to have this qualification. In Québec, Ontario and Manitoba, the minimum requirement is the equivalent of 14 years of schooling. In Québec and Manitoba, two-thirds

of the staff must have this qualification, while in Ontario at least one person in each group of person must be qualified”³.

In 2012, a young child care worker talked about her desperation in a letter to the editor. After investing \$18,500 in tuition fee to follow the Child and Youth Care Worker Program at CompuCollege and working a few years in other care-giving services, she decided to enter the field of daycare: “Now my problem was that I was making \$9.25/hour with a \$2.25/hour top-up for a grand total of \$11.50/hour. The top-up I received was the lower rate because my program did not match the government requirements for the higher rate of almost \$4. So after all efforts I’d made to get my education, here I was working in a field where I couldn’t meet my basic cost of living because my rate of pay was downsized! Now I’m in the next step of my life where my son is 7 months old and my fiancé and I are struggling to see how we can cover our costs if I go back to work for such a small wage. We have more on our plate and the price of child care for a baby under 2 is \$185 per week – completely unrealistic on our budget.”⁴

2. Child care as social infrastructure

Early learning and child care services are a form of social infrastructure. Just like roads facilitate commerce and the transportation of goods, child care services support families and facilitate the participation of women in the labour force. When women work, they increase their financial autonomy, they can invest in their own education and that of their family, and they can count on adequate pension plans for their senior years.

So far the New Brunswick government invests very little in early learning and child care services: \$1,519 per licensed child care space compared to a national average of \$3,558⁵.

A 2012 study showed that Quebec’s low cost child care services meant that 70,000 more mothers got jobs⁶ in 2008 alone. Other studies come to similar conclusions. In the case of New Brunswick, it could be argued that investments in child care would not only help young families but might reduce their exodus towards other provinces.

³ Rose, R. 2014, quoting a study by: Friendly, Martha, Shani Halfon, Jane Beach and Barry Forer. 2013. Early childhood education and care in Canada 2012, Toronto: Childcare Resource and Research Unit, Revised December 2013. Website: www.childcarecanada.org.

⁴ Gauthier, S. Feb. 9, 2012. Équité salariale: le gouvernement doit agir. *L’Étoile Provinciale*. P. P4. [translation]

⁵ Early Childhood Education and Care in Canada 2014, Childcare Resource and Research Unit.

⁶ Fortin, P., Godbout, L. & St-Cerny, S. 2012. L’impact des services de garde à contribution réduite du Québec sur le taux d’activité féminin, le revenu intérieur et les budgets gouvernementaux. Chaire de recherche en fiscalité et finances publiques.

Alternately, the absence of affordable child care services may not only have a negative impact on young mothers' participation in the labour force but also on their mothers' generation. In 2014, over 80,000 women left Canada's labour force, reversing the previous trend towards constantly increasing women participation. The largest group leaving the labour force were the 40-54 year old women. Looking for possible explanations, economist Toby Sanger points out that high child care costs, family caregiving demands for elders and other dependents, and a high pay gap tend to reduce women's labour force participation⁷.

The economic benefits of accessible and affordable child care has been calculated many times. For instance, researchers estimate that low cost child care which increased Québec's GDP by \$5.1 billion in 2008, thanks to women's increased participation in the labour force⁸. Clearly, child care is an investment, not an expense.

3. Moving towards a public model of delivery

As demonstrated in 1, child care educators are subsidizing the current patchwork system through their low wages. It is obvious that private child care agencies can only be profitable if they maintain low wages for their employees. Moreover, the current system does not promote the recruitment of qualified staff.

The Coalition for Pay Equity recommends that the government of New Brunswick gradually moves toward a public child care system. Of course, it could not be done on an age group basis (child care centers could end up with the most expensive age groups to take care of, i.e. the babies and toddlers).

It may seem like an unattainable goal but New Brunswick has experienced such important transitions many times in its recent history. Kindergarden used to be provided by private child care agencies. But in 1991, they were integrated into the public school system. The transition was done over 8 years, giving time for staff to develop the necessary qualifications and for the province to upgrade wages.

Before that, the Louis J. Robichaud government brought forward another major transition. New Brunswick's education system was then a patchwork of over 300 municipal/county school districts which were unequally funded because they depended on the local population's ability to pay through taxation, leading to unequal quality throughout the province. It made a daring move by creating a single, centralized funding system with taxes being paid to the provincial government which in turn, provided equal

⁷ Sanger, T. Oct. 8, 2014. Why Are Canadian Women Leaving the Labour Force In Record Numbers? HuffPost Business http://www.huffingtonpost.ca/toby-sanger/canadian-women-workforce_b_6818522.html

⁸ Fortin, P., Godbout, L. & St-Cerny, S. 2012. Ibid.

funding for education all over the province. It eventually reduced the number of school districts to 33 and standardized teachers' wages.

We need to create a public early learning and child care system with provincial and ideally federal funding as well as capped charges for families. Like in education, there should be province-wide standards and guarantee of quality service. Following from the values of public education there should be duality, in the sense that parents could choose whether to send their children to English or French child care, as they do now.

In order to ensure public participation in decision making, it seems that regional school boards would be the best bodies to undertake the responsibility for the development and management of early learning and child care services.

Child care may be the new frontier of Equal Opportunity: a well-funded provincial public system could provide access to affordable quality child care throughout the province, facilitate the full participation of women and men in the labour force, support young families, ensure fair wages to child care educators and most importantly, give the best possible early learning opportunities to New Brunswick children.

Our recommendations

Use accurate and valid pay equity methodology to re-evaluate child care educators and directors jobs and adjust their wages accordingly.

Only increase training requirements along if fair wages are offered to child care educators and directors.

Invest in licensed child care spaces at least to the national average level of \$3,558 per space.

Gradually move toward a public early learning and child care system with provincial and ideally federal funding.

Cap charges for families as the government increases its funding.

Give the responsibility for the development and delivery of early learning and child care services to the regional school boards.

Work with the federal government toward the goal of accessible, affordable quality child care.