



***Child Care at the
Crossroads:***

**The case for building a
public system in Nova Scotia**

A report by CUPE Research

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Introduction

Nova Scotia is at a crossroads in the evolution of Early Childhood Education and Care. New federal funding has the potential to move this province much further down the road to a comprehensive, universal, publicly-funded child care system that meets the needs of all families with children under 12.

The new five-year, \$5 billion federal program announced in the 2005 budget is about 20 years late and several billions of dollars short of what Canada needs to create a universal child care system.¹ However, the federal program, the recent introduction by the province of Quebec of a universal program, and recent initiatives in provinces like Manitoba, suggest we are moving to a resolution of the child care debate. For more than two decades the issue has been whether child care benefits only the consumer and is therefore a private responsibility, or whether child care provides benefits to society as a whole and ought to be provided as a public service like education and health. The latter alternative is gaining ground in most parts of the country.

Nova Scotia's share of the new federal program – amounting to about \$137 million over five years – is significant. It represents more than twice what Nova Scotia has spent on regulated child care over the last five years and provides an opportunity for this province to move forward on a universal child care system. The need for improvement is clear. The current market-driven system is not meeting the needs of families. More than 85% of young children of working mothers are cared for in unregulated facilities. The regulated child care sector is being kept afloat by an unacceptable combination of low salaries for early childhood educators and abnormally high parental contributions to costs. Their common problem is a succession of provincial governments that has so far failed to show leadership and support for early childhood education.

For Nova Scotia's children and families to realize the maximum benefit of the new opportunity afforded by the national program, the provincial government must provide leadership and commitment to developing a child care system that will provide immediate benefits to parents and children and the economy of the province. The government needs to recognize that investment in good child care will bring a return to the province as a whole, but that poor child care will have a negative effect on our future.

This document is presented to stimulate public debate about the future of child care in Nova Scotia. This is an important debate that concerns everyone, and it is an urgent debate as the provincial government moves to formalize agreements with Ottawa on national child care. But signing of that agreement will not end the debate – it is instead a starting point.

¹ Adding \$1 billion per year would bring existing spending to about \$3.5 billion. A national system, based on the system in place in Quebec, would cost about \$7 billion. Calculation based on spending \$1,450 per child on 4,800,000 children 0-12. (Childhood Resource and Research Unit, "Early Childhood Education and Care in Canada, 2004," Tables 4, 30. www.child-carecanada.org/ECEC2004/index.html#toc)

The purpose of this report is to provide an overview of child care developments in Nova Scotia in the context of developments elsewhere in Canada and internationally. It is not meant as a detailed examination of the child care system in Nova Scotia, nor are its recommendations to be seen as a blueprint for a comprehensive child care system for Nova Scotia.

A blueprint will require broad consultation involving not just stakeholders but all Nova Scotians. In addition, this paper focuses on just one aspect of early childhood education, child care, which has developed as a service to enable women to participate in the labour force.

An additional goal that is sometimes articulated is the provision of a developmental program for children at risk. While recognizing the desirability of a system of early childhood education and care that meets all three goals, this report is concerned primarily with child care and the urgent need to address deficiencies in this area.

1. The Case for Good Child Care

The provision of care and education for young children is a necessary condition for ensuring the equal access of women to the labour market. At the same time, provision needs to be of high quality if it is to contribute to early development and lay solid foundations for lifelong learning.

-OECD Directorate for Education, "Early Childhood Education and Care Policy," Canada Country Note, 2004, p. 27

A world in which mothers stayed at home to look after the children while fathers went to work is - for most families - as much a part of the past as black and white TV or Hula Hoops. As long ago as 1970 the Royal Commission on the Status of Women recognized the changing role of women and called for enactment of a National Day Care Act. In the 1980s, pressures for a national child care program grew, spurred on by a growing feminist movement² and economic pressures that often forced both parents into the paid labour force just to make ends meet.

The federal government made several ineffectual efforts in the 1980s to get a national child care plan going. In the 1990s, as European countries forged ahead with greatly expanded child care programs, Canada's focus was on downloading responsibilities and costs to provinces. Despite widespread public support for a nationally co-ordinated child care plan that ensures all children have access to quality care,³ child care did not re-appear on the national political radar screen until 1999. Reporting in 2004, a review team from the Organization for Economic Co-operation and Development (OECD) declared that "During the 1990s, growth in early childhood services slowed significantly in Canada, despite profound economic and social changes that affect the capacity of many parents to support early childhood development."⁴ For many families today, this period of stagnation referred to by the OECD means that the reliable, high-quality and affordable child care they need is simply not available.

Stay-at-home mothers with young children are now the exception in Canada. Three-quarters of women with children younger than five were in the labour force in 2003, an increase from 68% eight years earlier. In Nova Scotia, 76.9% of women with children younger than five were in the labour force in 2003, a big jump from 64% eight years earlier.⁵ Most of these working women are not having their child care needs met.

According to statistics compiled by the Childhood Resource and Research Unit (CCRU) at the University of Toronto, in 2003 there were more than one million women in the Canadian workforce with pre-school-aged children. Some of these mothers had more than one young child, with the result that there were 1,223,000 children aged 0-5 years with mothers in the paid labour force.⁶

² CCRU, 2004, Ibid, p.xvii

³ Millward Brown Goldfarb, 2002 (cited by Parents Voices www.childcareadvocacy.ca)

⁴ OECD Directorate for Education, "Early Childhood Education and Care Policy," Canada Country Note, 2004, p.6

⁵ CRRU, op. cit., Table 23

⁶ Ibid, Table 23

However, there were only about 425,000 regulated child care spaces to serve them.⁷ The remainder – about 65% of Canadian children aged 0-5 with working mothers - were in unregulated, unsupervised care in 2003.

The Canadian figure for unregulated care would be even higher but for the implementation by Quebec of a universal \$5 a day (later increased to \$7) child care system in the late 1990s. Between 1995 and 2004, Quebec added 210,000 regulated child care spaces, accounting for 65% of the Canada-wide increase. The Quebec system had a regulated space for nearly 30% of its 0-12 population in 2004, almost double the Canadian average. Table 1 shows the increase in coverage nationally and for all provinces between 1992 and 2004.

Table 1.1 Percent of children aged 0-12 for whom there is a regulated child care space by province, 1992, 2004

Province	1992 (%)	2004 (%)
Newfoundland and Labrador	3.3	6.8
Prince Edward Island	16.2	18.9
Nova Scotia	6.8	9.6
New Brunswick	5.5	11.0
Quebec	6.8	29.9
Ontario	8.1	10.7
Manitoba	9.1	14.3
Saskatchewan	3.1	4.9
Alberta	9.7	12.7
British Columbia	7.4	13.7
National Average	7.5	15.0

Source: CCRU 2004, Table 26

As Table 1.1 shows, all provinces made at least some progress between 1992 and 2004 in increasing the percentage of children aged 0-12 for whom regulated child care was available. Besides Quebec, only two provinces – Newfoundland and New Brunswick - met or exceeded the national average increase. Nova Scotia fell further behind, going from 90% of the national average in 1992 down to 64% of the national average in 2004. In 1992, Nova Scotia was doing better than three other provinces in providing child care – in 2004 Nova Scotia was ahead of just Saskatchewan and Newfoundland and Labrador.

Even with the Quebec-led increase in spaces between 1992 and 2004, Canada continued to lag well behind other member countries of the OECD. The OECD review found that less than 20% of children aged 0-6 find a place in a regulated service in Canada, compared with 78% in Denmark, 69% in France, 63% in Belgium, 60% in the United Kingdom and 40% in Portugal.⁸

⁷ The 425,000 figure is derived from Tables 6 and 9 of the CRRU Report for 2004 which shows 357,421 centre-based spaces for pre-schoolers and another 133,615 regulated family child care spaces. The latter statistics for family child care are not broken down by age, so for present purposes they've been divided 50-50 between school age and 0-5.

⁸ OECD, op. cit, p.7

Availability of regulated spaces is not the only area in which child care in Canada falls short of meeting the needs of families. Availability of a regulated space was no guarantee of either quality or accessibility. The quality of care is highly variable, particularly between centre-based care and home-based family care.⁹ Quality is often affected by rapid turnover of staff, usually the result of low wages, especially in Nova Scotia and the Atlantic Region. Despite the low wage levels, costs to parents are very high, as much as \$1,200 a month in Toronto and Vancouver.¹⁰ With government subsidies cut off when family income exceeds about \$35,000, many families are forced to seek lower-cost alternatives.

The OECD review put a finger squarely on the contradiction in Canada's policies toward women in the workforce. The review points out that the skills of women with young children are needed in the economy, as recognized through measures such as full or partial subsidization of child care costs, tax relief through child care expense deductions, and payment of maternity and parental benefits through Employment Insurance. However, the report notes, to be fully successful, these schemes are contingent on the availability of quality, affordable child care. In provinces like Nova Scotia, parent fees represent 70-80% of child care centres' revenue. As a result, the report notes:

“In order to avoid these high costs, certain groups of women will choose to remain at home with their children, although their choice may condemn themselves and their children to welfare and a subsistence standard of living. Other parents – the majority – return to work, but if they are in modest or low-income situations they will do so in stressful conditions. Family budgets are strained by high child care fees, and in many instances, parents will be obliged to confide their children to unregistered family day care workers with little guarantee of quality. In sum, for a significant group of families, the situation may be described as one of high stress for mothers and poor quality services for young children.”¹¹

1.1 The costs and benefits

The quality of care children receive in their early years directly affects the way they think and learn and has a lasting impact on their future abilities.

-Federal-Provincial-Territorial Council of Ministers on Social Policy Renewal, 1999, p.2

In addition to benefitting working women and their families, the realization has been growing among decision-makers that high quality child care in the early years can have major positive effects on society at large. A landmark report in this regard was the *Early Years Study*,¹² conducted in 1999 for the Harris Government of Ontario by Dr. J. Fraser Mustard and Hon. Margaret McCain, the former Lieutenant-Governor of

⁹ Centre for Families Work and Well-Being “You Bet I Care: Quality in Child Care Centres Across Canada,” University of Guelph, 2000

¹⁰ Child Care Human Resource Sector Council “Working for change, Canada’s Child Care Workforce,” 2004, p.44

¹¹ OECD, op. cit. pps.61,62

¹² Hon. Margaret Norrie McCain, J. Fraser Mustard, “Early Years Study: Reversing the Real Brain Drain,” Final Report, April 1999

New Brunswick.¹³ The study examined evidence from disciplines like the neurosciences, developmental psychology, social sciences, anthropology and epidemiology about the relationship between early brain and child development and learning, behaviour and health later in life. The authors concluded that the period from conception to six years “is equal to, or in some cases, greater in importance for the quality of the next generation than the periods children and youth spend in education or post secondary education.”¹⁴ The report argues for the establishment of a first “tier” community-based system for young children, “as important as the elementary and secondary school system and the post secondary education system.”¹⁵

The McCain/Mustard report warned against failure to act in the face of technological, social and economic changes that are putting new demands and strains on mothers and children.

“We can turn away from this challenge and hope that our helping systems (the schools, social and health services) will be able to cope, even though they tell us they are having increasing difficulty meeting the demand. We can hope that children will “grow out of” behaviour and learning problems that were set in early life, even though evidence suggests that many of them will have great difficulty doing so and will not reach their full potential. We can put more money into policing and correctional systems and other special services, although that will be expensive and unlikely to make a big difference. Or we can take a major step into the future, just as we did when we had the chance to provide safe water and immunize all children against diseases that had taken a terrible toll in infancy for generations.”¹⁶

Another report which examined the social and economic benefits of a comprehensive system of child care was done in 1998 by two economists from the University of Toronto, Scarborough Campus.¹⁷ The report calculated the cost of high quality regulated care to all children aged two to five years with parents in the work force. It also took into account the cost of an enriched nursery school program for children cared for primarily by their parents at home. The calculation assumed staff salary and benefit costs of \$36,000 a year, a staff/child ratio of 1:7 and enrolment of 1.6 million children. The total annual cost to government, subtracting parents’ fees and existing public expenditure on child care, was estimated at \$5.3 billion.

¹³ The report had little or no impact on policies of the Harris government, as noted by Mustard and McCain in their follow-up report *The Early Years Study – Three Years Later*.

¹⁴ Early Years Study, Letter of transmittal, Feb. 16, 1999

¹⁵ Early Years Study, p. 172

¹⁶ Ibid, pps. 2-3

¹⁷ Gordon Cleveland, Michael Krashinsky, “The Benefits and Costs of Good Child Care: The Economic Rationale for Public Investment in Young Children,” Department of Economics, University of Toronto at Scarborough, 1998

The economists broke down the benefits this way:

- For children, the higher levels of skills, abilities and productivity from stimulative pre-school experience would lead to better performance at school and higher lifetime earnings of \$4.4 million;
- For mothers the ability to choose increased attachment to the work force - join the labour force, move from part-time to full-time work or to accept promotions- would increase lifetime earnings by \$6.2 billion.

The total benefit to children and parents would be \$10.6 billion, twice the cost of the program. The two-to-one cost benefit calculation did not include the value of new employment provided by child care workers and the additional taxes collected by moving child care out of the underground economy. As to benefits for society at large, the report stated:

“Canada depends for its economic well-being on its ability to function well socially and economically. Its competitiveness rests above all on the talents and efficiency of its workforce. Mothers need good child care because their future productivity depends on an early and continuing connection to the labour market. No one can take off 6 to 12 years or more to raise children and still retain and continue to develop the desired workforce skills. And children need good child care because their future social and economic productivity depends on their entering school ready to learn at least as much as children in other countries.”¹⁸

¹⁸ Ibid, p.77

2. Child care in Nova Scotia

The provision of child care (in Nova Scotia) is reactive and not guided by a policy framework

Jane Beach, Nova Scotia Child Care Funding Review, Dept. of Community Services, March 2001, p.1

In 2003 there were about 12,760 regulated child care spaces in Nova Scotia to meet the needs of 86,000 children 0-12 whose mothers were in the paid labour force. About 15% of those child care spaces were subsidized, with full subsidies limited to parents making less than approximately \$17,000 a year. Table 2.1 presents pertinent child care facts in Nova Scotia.

Table 2.1 NS child care facts

Children 0-12 with a mother in the paid labour force, 2003	86,000 ¹⁹
Regulated child care spaces, 2003	Full day 9,318; Part-day 3,282 Family care 159 ²⁰
Subsidized spaces, 2005	2,880 ²¹
Estimated monthly fee for 3-year-old, 2003	\$460 ²²
Cut-off point for eligibility for full subsidy (net income)	\$16,800 one parent, one child \$17,700 two parents, two children ²³
Cut-off point for partial subsidy	\$24,912 one parent, one child \$34,992 two parents, two children ²⁴
Maximum subsidy	\$22 a day, less minimum user fee of \$2.25 ²⁵
Average hourly wage for teacher in regulated child care, 2001	\$7.87 ²⁶

The Nova Scotia government has been involved in child care since 1971, when the federal government made funds available on a cost-shared basis under the Canada Assistance Plan to help low-income families pay for child care. Over the next 30 years, numerous government and community studies identified the need for improved service

¹⁹ CCRU, 2004, Table 22

²⁰ CCRU 2004, Provincial Context, Nova Scotia, p.30

²¹ Nova Scotia, Department of Community Services, News Release, Aug. 16, 2005

²² CCRU 2004, Provincial Context, Nova Scotia, p.34

²³ Ibid, p.32

²⁴ Ibid

²⁵ Nova Scotia, Department of Community Service, news release, Feb. 2, 2005

²⁶ CCRU 2004, Nova Scotia Context, p.34

and funding, particularly for improved wages. In 1990, child care staff from centres across the province staged a one-day walkout to protest low wages.

In its wake, the province introduced a salary enhancement grant and formed the Round Table on Day Care as an advisory body. However, there was very little improvement. As the *Child Care Funding Review*²⁷ reported in 2001, “Wages of child care staff are generally at or below poverty level.”²⁸ This was having a negative impact on keeping existing staff or attracting new people. “In every stakeholder interview and focus group, the key theme raised was staff recruitment and retention.”²⁹

2.1 By the numbers - How Nova Scotia compares

The following tables, based on data collected by the CCRU, show that by most measures, Nova Scotia lags behind the rest of Canada in the provision of regulated child care. These deficiencies are even more troubling in the context of the gap between Canada and most other industrialized countries, and because of the fact that Nova Scotia has a high rate of workforce participation by mothers of young children.³⁰

As noted in Table 1.1, regulated child care spaces were available for less than 10% of Nova Scotia children 0-12 in 2004. This represented a slight improvement over 1992, but the pace of improvement in Nova Scotia was slower than the rest of the country. This pattern holds true across several indicators – including number of regulated spaces, expenditure on regulated care and availability of regulated care for working mothers.

Table 2.2 Change in regulated child care spaces by Province & Territory 1992, 1998, 2003-4

Province/Territory	Regulated Spaces			% Change in Regulated Spaces from 1992		
	1992	1998	2004	1992	1998	2004
Nova Scotia	10,826	11,163	12,759	N/a	3.1%	17.9%
Newfoundland	3,568	4,275	4,921	N/a	19.8%	37.9%
Prince Edward Is.	4,123	3,717	4,100	N/a	-9.8%	-0.6%
New Brunswick	7,162	9,204	11,897	N/a	28.5%	66.1%
Quebec	78,388	175,002	321,732	N/a	123.3%	310.4%
Ontario	145,545	167,090	206,743	N/a	14.8%	42.0%
Manitoba	18,977	20,490	25,634	N/a	8.0%	35.1%
Saskatchewan	6,418	7,124	7,910	N/a	11.0%	22.3%
Alberta	51,656	47,033	65,726 ³¹	N/a	-9.0%	27.2%
British Columbia	42,927	68,978	80,230	N/a	60.7%	86.9%
Northwest Terr.	963	1,351	1,219	N/a	40.3%	26.6%
Nunavut	N/a	N/a	1,014	N/a	N/a	N/a

²⁷ Jane Beach, Nova Scotia Child Care Funding Review, Dept. of Community Services, March 2001

²⁸ Ibid, p. 1

²⁹ Ibid p. 3

³⁰ CCRU, op. cit., Table 6

³¹ School age child care in Alberta became regulated for the first time in 2004. Thus, regulated spaces increased without increased public expenditure, as will be shown in Table 2.3.

Yukon	1,020	1,307	1,369	N/a	28.1%	34.2%
CANADA	371573	516734	745254	N/a	39.1%	100.6%

Source: Derived from CCRU 2004, Table 25

Table 2.2. shows that the number of regulated child care spaces in Nova Scotia went from 10,826 in 1992 to 12,759 in 2003, an increase of 17%. This compares with a Canada-wide increase of 100% and is the second lowest increase among Provinces and Territories. Only Prince Edward Island had a smaller increase in regulated spaces, and as will be seen below, P.E.I remains well ahead of Nova Scotia in terms of regulated spaces per child. Table 2.3 compares spending on regulated child care by province.

Table 2.3 Spending on regulated child care by Province and Territory 1992, 1998, 2003-4

Province/Territory	Expenditure (million\$)			% Change in Expenditure from 1992		
	1992	1998	2004	1992	1998	2004
Nova Scotia	11.4	15.7	19.8 ³²	N/a	38%	74%
Newfoundland	1.7	3.3	9.6	N/a	94%	465%
Prince Edward Island	2.8	2.6	4.7	N/a	-7%	68%
New Brunswick	3.6	5.5	13.9	N/a	53%	286%
Quebec	140.7	299.9	1,560.0	N/a	113%	1009%
Ontario	420.1	470.5	497.4	N/a	12%	18%
Manitoba	42.2	45.2	73.0	N/a	7%	73%
Saskatchewan	12.3	15.7	19.6	N/a	28%	59%
Alberta	66.6	54.3	53.6	N/a	-18%	-20%
British Columbia	55.8	128.9	140.7	N/a	73%	85%
Northwest Territory	2.3	2.3	2.5	N/a	0%	9%
Nunavut	N/a	N/a	1.8	N/a	N/a	N/a
Yukon	2.4	4.8	5.2	N/a	100%	117%
CANADA	762	1,049	2,402	N/a	38%	215%

Source: Derived from CCRU, op. cit, Table 28

As the Table 2.3 shows, Nova Scotia increased total spending on child care to \$19.8 million in 2002-04, a rise of about 74% from 1992. This increase was higher than five other provinces or territories, lower than five and about the same as Manitoba. With Quebec's massive increase included in the national average, Nova Scotia and all but two provinces (New Brunswick and Newfoundland and Labrador) had increases in expenditure that were below the national average increase of 215% between 1992 and 2004.

³² The amount for regulated child care identified by the CCRU is lower than that published by the Department of Community Services in the 2003-04 Annual Report on the Early Childhood Development Initiative and Multilateral Framework on Early Learning and Child Care. The main reason is that the CCRU excludes from its calculation more than \$5.1 million provided parents through Employment Support Income Assistance.(ESIA)

Because the measure eliminates differences in population, expenditure per child aged 0-12 provides a better basis for comparison between Nova Scotia and other provinces. As Table 2.4 shows, Nova Scotia spent \$71 per child in 1992, increasing to \$149 in 2003-04. In 1992, Nova Scotia's expenditure per child on regulated child care was the ninth highest among provinces and territories, the same ranking as 2003-04.

Table 2.4. Expenditure per child 0-12 for regulated child care by Province/Territory, 1992, 1998, 2001, 2003-4

Province or Territory	1992	1995	1998	2001	2003-4	Change 1992-2003/4
Nova Scotia	\$71	\$76	\$103	\$91	\$149	110%
N.L.	\$15	\$30	\$38	\$101	\$133	786%
P.E.I.	\$109	\$67	\$107	\$187	\$216	98%
N.B.	\$28	\$25	\$46	\$96	\$129	361%
Quebec	\$122	\$171	\$256	\$980	\$1,448	1,087%
Ontario	\$232	\$282	\$238	\$232	\$258	11%
Manitoba	\$202	\$228	\$231	\$338	\$407	101%
Saskatchewan	\$59	\$66	\$86	\$97	\$123	108%
Alberta	\$126	\$128	\$102	\$110	\$104	-17%
B.C.	\$96	\$158	\$201	\$274	\$241	151%
NWT	\$136	\$82	Na	Na	\$273	101%
Nunavut	Na	Na	Na	Na	\$205	Na
Yukon	\$400	\$519	Na	Na	\$1,109	177%
Canada	\$154	\$197	\$207	\$386	\$500	225%

Source: CCRU 2004, Table 30

Besides rankings, a number of points are worth noting from Table 2.4. Firstly, in 1992 Nova Scotia's expenditure of \$71 equalled 46% of the national average. In 2003-4, Nova Scotia's expenditure of \$149 was 30% of the national average. Secondly, Nova Scotia's spending increase of 110% was not only eclipsed by Quebec, it was well behind increases in two other nearby provinces, New Brunswick and Newfoundland.

Thirdly, Table 2.4 shows a correlation between cuts in expenditure on child care and the election of neo-conservative governments. The election of the Harris government in Ontario (1995) and the Campbell government in British Columbia (2001) led to spending cuts in subsequent years. In Alberta, expenditures increased slightly during the first three years of the Klein government before beginning a steady downward slide to 2003/4 when the wealthiest province in the country had, at \$104, the lowest per child expenditure on regulated child care of any province.

Table 2.4 also shows that at \$91, under a Conservative government, Nova Scotia reported the lowest expenditure per child of any Province in 2001, a sharp drop from sixth position in 1998, under a Liberal government. The decline from 1998 to 2001 has

the effect of making the jump from 2001 to 2004 – 64% - one of the larger increases among provinces and territories.

However, the period 1998 to 2004 more accurately reflects the long-term trend – with Nova Scotia 45% increase the fifth lowest in the country, well ahead of Ontario, Alberta and British Columbia and slightly ahead of Saskatchewan.

Change in expenditure tells only part of the story. As we have seen, Nova Scotia had the third lowest ratio of regulated spaces to 0-12 population in 2004, falling from fourth lowest in 1992. Although high quality child care will benefit all children, the need for services is most acute (and overdue) for the children of working mothers. Here again, Nova Scotia is falling behind. Table 2.5 compares the availability of child care spaces for children whose mothers are in the paid work force by year and by province.

Table 2.5 Regulated child care spaces for children of working mothers 0-12 by province and year³³

Province/Territory	Children 0-12 with working mothers			Regulated spaces per 100			% Change in spaces per 100 from 1992		
	1992	1998	2003	1992	1998	2004	1992	1998	2004
Nova Scotia	93,000	97,000	86,000	11.6	11.5	14.8	N/a	-1%	28%
Newfoundland	59,000	49,000	42,000	6.0	8.7	11.7	N/a	45%	95%
Prince Edward Is.	17,000	19,000	16,000	24.2	19.6	25.6	N/a	-19%	6%
New Brunswick	71,000	75,000	69,000	10.0	12.2	17.2	N/a	22%	72%
Quebec	620,000	749,000	710,000	12.6	23.4	45.3	N/a	86%	260%
Ontario	1,095,000	1,320,000	1,225,000	13.3	12.7	16.9	N/a	5%	27%
Manitoba	110,000	133,000	118,000	17.3	15.4	21.7	N/a	-11%	25%
Saskatchewan	126,000	124,000	107,000	5.1	5.7	7.4	N/a	12%	45%
Alberta	307,000	345,000	316,000	16.8	13.6	15.2	N/a	-19%	-10%
British Columbia	336,000	402,000	358,000	12.8	17.2	22.4	N/a	34%	75%
CANADA	2,834,000	3,414,000	3,052,000	13.1	15.1	24.4	N/a	15%	86%
CANADA (less Quebec)	2,214,000	2,665,000	2,342,000	13.2	12.8	18.1	N/a	-3%	37%

Source: Derived from CCRU 2004, Tables 22, 25

As the Table shows, there were 86,000 Nova Scotian children under 12 with mothers in the workforce in 2003, but only 14.8 regulated child care spaces per 100 children. This means that more than 85% of children 0-12 with working mothers were cared for in unlicensed or informal care arrangements. The 14.8 figure represented a 28% increase from 1992 in child care spaces per 100 children.

However, Nova Scotia's increase was significantly below the national average (86% with Quebec, 37% without), and less than the rate of improvement of five other provinces – Newfoundland, New Brunswick, Quebec, Saskatchewan and British Columbia. Put another way, in 1992, Nova Scotia with 11.6 spaces per 100 was 88% of the national

³³ Data for Territories not available

average; in 2004 Nova Scotia fell to 82% of the national average without Quebec, 61% with Quebec.

Nova Scotia does not report school-age day care (eg. 6-12) as a separate category. However, the Department of Community Service has estimated that about 90% of full- and part-day regulated spaces accommodate children 0-6 years of age.³⁴

Given that nationally, school aged-child care accounts for about 35% of spaces, it would appear that the 6-12 age group is particularly ill-served in Nova Scotia compared with other provinces. On the flip side, if 90% of regulated spaces in Nova Scotia are in fact occupied by 0-5 year olds, Nova Scotia is not far off the national average in spaces per 100 children for that age group, as Table 2.4 shows.

Table 2.6 Regulated spaces for children 0-5 of working mothers Nova Scotia and Canada, by year

	1992	1998	2003-4	Canada 2003-4
Children 0-5	44,000	38,000	35,000	1,223,000
Spaces (90% of total for NS)	9,745	10,045	11,485	425,000
Spaces/100	22%	26%	33%	35%

Source: Derived from CCRU 2004, Table 22

Table 2.6 shows that there were 33 regulated child care spaces for every 100 Nova Scotian children of working mothers 0-5 in 2003-04, up from 22% in 1992. However, more of that improvement was from a drop in the population, rather than from an increase in spaces. Moreover, despite the apparent improvement, the fact remains that two out of three pre-school children of working mothers in the vital 0-5 age group in Nova Scotia are receiving informal, unregulated care.

³⁴ Government of Nova Scotia, Department of Community Services, "Our Children... Today's Investment, Tomorrow's Promise," 2001, p. 14

3. Issues facing child care in Nova Scotia

“The strength of the child care system was seen to be the commitment of the people who work in it, and who stay if they can afford it, even though they often make below poverty level wages. Without staff working for such low wages, there would be no child care system in Nova Scotia.”

-Jean Beach, op. cit. p.3

Child care in Nova Scotia faces many of the same challenges as it does in most provinces of Canada – under-funding, failure to meet the needs of children and families and a crisis in human resources. It also has some problems that are unique:

- Extremely low wages that exacerbate the human resource issues;
- A relatively large number of private, for-profit centres,
- A system that is more heavily user-pay than most others in the country
- A lack of leadership and vision at the provincial level, a topic that is dealt with in depth in Section 4.

3.1 Wages and Human Resources

The Child Care Human Resources Sector Council was formed in 2003 as a body “through which child care and labour organizations, together with constituents of the child care workforce, endeavour to address human resource issues.” Issues include poor wages and benefits, limited career development opportunities and perceived low status – which are “at the heart of the sector’s central human resource problems of recruitment, retention and recognition.”³⁵ In a recent report, the Sector Council reiterated the problem of low wages:

“The low wages and poor benefits of the child care workforce are important factors in the sector’s recruitment problems and high staff turnover. Improving workforce compensation will be critical to creating a quality early learning and child care system.”³⁶

The Sector Council’s observation is nothing new to child care workers in Nova Scotia, and echoed the findings of *Child Care Funding Review* which reported in 2001 that low wages for child care staff were having a negative impact on keeping existing staff or attracting new people.

In 2000, the last year for which comprehensive wage and salary figures are available, annual employment earnings for child care workers in Canada – full- and part-time - averaged \$16,167, less than half of the \$33,470 average for all occupations. The child

³⁵ Child Care Human Resources Sector Council, “Working for Change: Canada’s Child Care Workforce”, 2004, pps. 1-2

³⁶ Child Care Human Resources Sector Council, “Child Care Wages and a Quality Child Care System”

care workforce (96% female) didn't fare much better when incomes were compared just with those of other women.

Early childhood educators working full-time in 2000 earned \$21,023, 60% of the \$34,892 average for women in all occupations. The disparity is even greater for child care workers with college or university qualification – they averaged \$23,641, just 57% of the \$41,619 earned by similarly qualified women in all occupations.³⁷

Depending on their qualifications, Nova Scotia's child care workers were between 9.6% and 30.4% below the national average income for those who worked outside the home. As the table shows, the discrepancy was greatest for those with the most education.

Table 3.1 Average Income in 2000 by Educational Attainment by Early Childhood Educators who worked outside the home, Canada and NS

Credential	Canadian Average	N.S. Average	Disparity
No post-secondary credential	\$17,034	\$15,410	-9.5%
College Certificate or Diploma	\$22,548	\$15,820	-29.8
Bachelors Degree or Higher	\$25,796	\$17,958	-30.4

Source: CCHRSC, *Child Care Wages and a Quality Child Care System*, p. 3 (based on Census Data)

Nova Scotia's child care workers with no post-secondary credentials made about 10% less than the Canadian average in 2000; those with a degree made 30.4% less than the national average. Despite this, more than 15% of child care workers in Nova Scotia had degrees, among the highest rates in the country.

Nova Scotia's early childhood educators and assistants with degrees ranked ninth in income among the provinces and territories, with only those in Prince Edward Island, Newfoundland and Labrador, and New Brunswick ranking lower. Those with college certificates or diplomas also ranked ninth. Those child care workers without post-secondary credentials did slightly better, ranking sixth among provinces and territories, ahead of the other Atlantic Provinces as well as the Prairie Provinces.³⁸

Given the importance that has been attached to wages as a human resource issue, it is unfortunate that there is no up-to-date information on wages for Nova Scotia's early childhood educators and assistants. And it is not just contemporary Nova Scotia wage data that are unavailable. The problems of collecting national data are such that the only national comparable wage information is still that gathered in 1998 for the *"You Bet I Care!"* report, released in 2000 by the Centre for Families, Work and Well-Being at the University of Guelph. Its findings, by classification, for Nova Scotia and nine other provinces are shown in Table 3.2.

³⁷ CCHRSC, *Working for Change*, p.25

³⁸ CCHRS, *Child Care Wages*, p. 3

Table 3.2 Average Hourly Wages of Trained Staff in Regulated Centre-based Child Care, 1998

	NSS	NL	PEI	NB	Que.	ON	Man	Sask	Alta	BC	NS rank
A/Teacher	7.04	6.37	8.18	6.34	8.12	10.60	8.37	8.45	7.90	10.55	8 th
Teacher	8.51	6.76	7.54	7.12	11.04	13.48	9.49	10.74	8.36	12.07	6 th
Teacher/ Director	10.21	7.89	11.84	9.26	14.05	17.48	13.83	11.74	9.90	12.07	7 th
Admin/ Director	14.58	12.07	14.37	10.06	17.41	22.00	17.34	14.58	12.73	18.73	5 th (tie)

Source: "You Bet I Care!" data cited in CCHRSC, Working for Change, pps.96-7

As the Table shows, Nova Scotia hourly wage rates were consistently lower than most other provinces, with teachers ranking sixth and administrative directors fifth. From some provinces and territories – notably Ontario and Alberta, as well as Newfoundland and Labrador and the Northwest Territories – there is no more recent information available. Nova Scotia has provided some updated information but did not break down wages for teachers and assistant teachers. The combined wage figure for teachers and assistant teachers in 2001 was actually lower than the figure for teachers in 1998.

Updated wage information is available for most provinces and territories and is shown in Table 3.3.

Table 3.3. Hourly wages by classification and province, most recent year reported.

	NS 2001	PEI 2001	NB 2002	Que 2004	Man 2004	Sask 2004	B.C. 2001	Yukon 2004	Nunavut 2004
A/Teacher	Na	7.01	Na	13.67	9.40	10.29	11.68	12.10	15.15
Teacher	Na	8.00	7.16	16.46	13.99	11.58	13.28	12.71	16.48
A/Director	10.31	10.00	9.96	18.35	17.28	12.15	14.62	15.89	15.50
Director	13.32	Na	Na	19.46- 29.22	20.81	16.23	Na	20.95	21.95

Source: CCRU 2004, Relevant Provincial Context reports

Table 3.4 shows the change in wages for teachers from the 1998 survey to the most recent year available.

Table 3.4 Hourly wage for early childhood educators

Province or Territory	1998 survey \$\$	Most Recent Year \$\$	% Change
NS	8.51	na (2001)	Na
PEI	7.54	8.00 (2001)	6%
NB	7.12	7.16 (2002)	1%
Quebec	11.04	16.46 (2004)	49.1%
Manitoba	9.49	13.99(2004)	47.4%
Saskatchewan	10.74	11.58 (2004)	7.8%
B.C.	12.07	13.28 (2001)	10.0%
Yukon	11.71	12.71 (2004)	8.5%
Nunavut	Na	16.48 (2004)	Na

Source: Derived from Tables 3.2 and 3.3

The percentage change in Table 3.4 is not comparable between all provinces shown, since the years compared differ. However, looking at the four jurisdictions for which 1998 and 2004 data are available, Manitoba and Quebec stand out with increases in teachers' wages of nearly 50% over the period. In Saskatchewan and Yukon, increases for teachers were less than 10%, although in both cases 1998 wage rates were significantly higher than Nova Scotia.

New Brunswick, Quebec, Manitoba and Saskatchewan have also recently reported wage data on an annual basis for 2004 to show the impact of funding that is specifically targeted to improve wage levels. In Table 3.5, this information is compared with Census data for 2000 to show trends.

Table 3.5 Change in annual income 2000-2004, early childhood educators, selected provinces

	Classification	2000	2004	% change
New Brunswick	All staff	\$12,539	\$15,420	23%
Quebec	Certificate or Diploma	22,418	30,072	34%
Manitoba	Certificate	18,964	24,135	27%
	Diploma	18,964	25,560	35%
Saskatchewan	Certificate or Diploma	18,207	21,157	16%

Source: CCHRSC³⁹

Table 3.5 confirms teachers in Quebec and Manitoba had significant wage gains in recent years, as shown in Table 3.4.

³⁹ Adapted from CCHRSC "Child Care Wages and a Quality Child Care System." Provincially-supplied wage data are not strictly comparable with data from the Census, however, as the CCHRSC report notes, the data, presented together, show likely trends

However, unlike the picture revealed by the previous Table, Table 3.5 also shows that since 2000, New Brunswick and Saskatchewan educators have also had noticeable wage improvements.

Compared with other sectors, annual staff turnover in child care is high -28.2% for assistant teachers, 21.7% for teachers and 15.5% for supervisors according to a 1998 survey of full-day centres serving 0-6 year-olds.⁴⁰ The *You Bet I Care!* Report showed that among teachers with a minimum one-year ECE credential, the turnover rate in Nova Scotia in 1998 was slightly above the national rate at 22.3%. Is there a correlation between average wage rates and turnover? Table 3.6 shows the data for 1998.

Table 3.6. Ranking of staff turnover and wage rates by Province, 1998

Province	Turnover	Wage Ranking
P.E.I	15.0	8 th
Manitoba	17.3	5 th
Quebec	17.4	3 rd
Ontario	17.7	1 st
Nova Scotia	22.3	6 th
N.L.	23.7	10 th
B.C.	23.7	2 nd
N.B.	26.1	9 th
Saskatchewan	32.2	4 th
Alberta	44.8	7 th

Source: Derived from "You Bet I Care! Study 1" data cited in CCHRSC "Working for Change pps 96-99

As Table 3.6 shows there are several cases in which there is no apparent connection between low turnover ranking and wage ranking – namely P.E.I., British Columbia and Saskatchewan. However, in seven provinces there is some correlation between low turnover higher wage ranking, including Nova Scotia, which is sixth in wages and fifth in turnover.

⁴⁰ CCHRSC, Working for Change, p.99

3.2 Structural Issues

The Nova Scotia government's failure to invest in early childhood care and education has had an impact on the structure of the sector in this province. Private, for-profit child care is more than twice as prevalent in Nova Scotia as it is on a national basis. In 2003-04, 5,613 of the 12,600 centre-based child care spaces in Nova Scotia were in private centres, compared with 21% in private centres in Canada as a whole.

Only the three other Atlantic Provinces had a higher percentage of privately-provided child care spaces than Nova Scotia. The Nova Scotia child care system was also one of the most dependent upon parents' fees as a revenue source. Table 3.7 shows that the correlation between parents' fees and private provision holds true for most provinces.

Table 3.7 Parent revenue and private spaces, percentage by province

Province	% of revenue from parent fees (1998)	% of spaces in private centres (2003-4)
Nova Scotia	73%	45%
Newfoundland & Labrador	82%	73%
Prince Edward Island	67%	60%
New Brunswick	69%	70%
Quebec	46%	12%
Ontario	47%	22%
Manitoba	34%	8%
Saskatchewan	39%	0%
Alberta	54%	54%
British Columbia	50%	Unavailable

Source: CCRU 1998, 2004

Many of the non-profit child care centres in Nova Scotia were set up in the 1970s with federal grant funding. When the grants dried up the province failed to step in with support for the expansion of the non-profit sector. This left a vacuum in service that was filled by private operators, offering services entirely paid for by parents. Total reliance on parent fees for private centres came about because government funding of child care in Nova Scotia was cost-shared between the federal and provincial governments under the Canada Assistance Plan. Under CAP, which ended in 1996, child care grants were available only to non-profit centres. Now those restrictions have been removed, and with federal dollars making possible significant new investment in child care, the future role of the private for-profit operators in Nova Scotia needs to be considered.

On one level, the argument can be made that private, for-profit centres should have no place in the child care system. If one accepts that education in the early years is at least as important as children's development in the school-age years, then child care, like the school system, should not be run like a business. But aside from that larger debate, studies show that child care provided in non-profit centres is of higher quality than that provided in for-profit centres. Numerous studies and reports have concluded that the three main indicators of quality are higher wages, training levels and non-profit auspice.⁴¹

A 2004 report by the economists Cleveland and Krashinsky⁴² used data from the *"You Bet I Care!"* (YBIC) survey to explore the reason for differences in quality of care provided by non-profit and for-profit child care centres. The YBIC study surveyed 325 child care classrooms in 224 centres across Canada. It found that overall quality was more than 10% higher in non-profit classrooms. The quality gap was wider between non-profit centers and incorporated businesses than it was between non-profits and sole proprietorships.

The quality differences between non-profit and for-profit centers were greatest in:

- personal care (e.g. diapering, rest, meals) provided to children (6.9%);
- teaching interactions affecting language and through development (6.5%);
- staff interaction with children (8.3%);
- communication between parents and staff (18.6%)

The Cleveland and Krashinsky study found that non-profit centres provided higher quality care even when factors such as financial resources, staff training levels, wages and location were taken into account. The study concluded that, "non-profit status makes an important independent contribution to quality in child care centres."⁴³ Two recent large scale studies in Quebec found major quality differences between for-profit and non-profit care. One study found that the percentage of for-profit centres providing unsatisfactory levels of care was seven times that of the non-profit centres.⁴⁴

Despite the evidence in the literature of superior quality provided by non-profit centres, the for-profit sector has been growing in Nova Scotia, with government support, from 40% of spaces in 1995 to 45% in 2004.⁴⁵ During much of this growth period, the provincial government has been actively diverting more resources to the private centres.

⁴¹ Jane Beach, Nova Scotia Child Care Funding Review, Dept. of Community Services, March 2001, p.13

⁴² Gordon Cleveland and Michael Krashinsky, "The Quality Gap: A Study of Nonprofit and Commercial Child Care Centres in Canada," University of Toronto at Scarborough, Dec. 2004

⁴³ Ibid, p. 20

⁴⁴ Susan Prentice, "For-profit child care: Past, present and future," CCRU, October, 2005, p.9

⁴⁵ Ibid, p. 5

In 2000, the government introduced the portable subsidized space. Under the previous arrangement, subsidized spaces were allocated only to non-profit centres. Under the new policy, subsidized spaces follow the child either to a for-profit or non-profit centre. Since the introduction of portable spaces, only portable subsidized spaces have been created, and the majority of those portable spaces have gone to for-profit centres. As non-profit centres with subsidized spaces have closed, their spaces have been converted to portable. As a result, the number of centre-based subsidized spaces has dropped by about 10%.⁴⁶

In addition, the government has changed its policy since 2001 to allow for-profit centres to apply for salary, training and, most recently, expansion grants. This has enabled private operators to gain access to some of the \$66 million in increased federal child care funding that came to Nova Scotia between 2000 and 2005. The province has justified the subsidies to private operators as a leveling of the playing field. But the move may also be characterized as a lowering of the barricades to let in big box, corporate child care.

Companies like **KinderCare** from the U.S. and **ABC Learning Centres** of Australia are already reported to be eyeing Canada for expansion.⁴⁷

A legal opinion obtained by the Canadian Union of Public Employees says that under NAFTA and WTO trade rules, new public investment in the for-profit child care sector will make it very difficult to later reduce or eliminate private companies and establish early childhood education and care as a public service.⁴⁸

With its already high level of private child care, Nova Scotia is particularly vulnerable to incursions by foreign corporations. However, unlike provinces such as Manitoba and Saskatchewan,⁴⁹ the Nova Scotia government has shown no willingness to ensure higher quality care for this province's children by restricting millions of dollars in new funding to the non-profit sector.

⁴⁶ In 2000 there were about 2,500 subsidized spaces allocated to non-profit centres; in 2005, 609 out of 2,880 spaces were portable, according to DCS information, which would leave about 2,270 allocated to non-profit centres.

⁴⁷ Halifax Daily News, "Day-care directors fear foreign 'bog-box' intrusion," Feb. 9, 2005

⁴⁸ S. Shrybman, "Legal opinion: Establishing a national system of early learning and child care in light of Canada's obligations under NAFTA and the WTO," Ottawa, 2004

⁴⁹ Prentice, op.cit. p. 3

3.3 Other Issues

At last count (2003-04) there were 133,615 regulated family child care spaces operating in private homes in Canada, accounting for 18% of all regulated spaces child care spaces. Nova Scotia had just 159 regulated family care spaces, accounting for only 1.2% of the total.⁵⁰ Nova Scotia's family child care spaces were all subsidized and were supervised by approved community agencies. Why Nova Scotia has so few family child care spaces compared with the rest of Canada is not clear. As the *Child Care Funding Review* noted: "Family child care has not seen any significant growth over the years; the reasons for which are not apparent."⁵¹

One reason there are so few regulated family care facilities may be that Nova Scotia only regulates facilities serving more than six children. Most other provinces regulate smaller groups. In British Columbia, regulation starts when there are two children, plus the provider's children. In Manitoba and Newfoundland and Labrador, the maximum number permitted in an unregulated family child care centre is four. Only Alberta and Quebec are as high as Nova Scotia, while Saskatchewan allows up to eight children in unregulated care.

Would regulation of family child care through a reduction in the exemption level be a valid way to increase the number of regulated spaces in Nova Scotia? Available evidence suggests it would not. The *Child Care Funding Review* found that existing family child care centres "contain few program requirements that support healthy child development. Training requirements are minimal; caregivers need no formal training and are only required to attend four hours of training workshops annually."⁵² The *You Bet I Care!* Study collected data from 231 regulated family care providers across six provinces. The survey found that just over one third were providing care that would stimulate children's development, the rest were providing only custodial care at varying levels of quality.⁵³

Another situation requiring attention is the one facing rural women, who must deal with additional child care burdens such as increased distance to and from care and a lack of part-time spaces. A recent report for Status of Women Canada cites rural child care as an example of the failure of a market-based system of care. "Lack of child care is a barrier for rural women in finding and retaining employment and, at the same time, lack of demand for child care due to high local unemployment levels makes it difficult to operate a child care facility."⁵⁴

⁵⁰ CCRU, 2004, Table 9, p.185

⁵¹ Beach, op. cit, p. 41

⁵² Ibid.

⁵³ You Bet I Care! "Quality in child Care Centres Across Canada," Executive Summary

⁵⁴ Manicom et. Al. "Public Policy and the Participation of Rural Nova Scotia Women in the New Economy," Status of Women Canada, 2005, p. 36

4. Nova Scotia Government Response

“Penny-pinched governments continue to ask how they can spend money on a child-care system when they face all the other pressing costs for health care, education, public safety et cetera. How can they not?”

-Marilla Stephenson, “National child care: pay now or pay later,” Halifax Chronicle-Herald, Feb. 12, 2005

Since governments provincial and federal began in the late 1990s to express renewed interest in improving child care as part of the National Children’s Agenda, Nova Scotia, through the Department of Community Services, has embraced the rhetoric of change. In May, 2001 the department issued **“Our children ... Today’s Investment, Tomorrow’s Promise,”** which echoed the themes enunciated by reports such as the *Early Years Study* and stressed the benefits to society of a comprehensive plan for early childhood care and education.⁵⁵ **“Our Children ...”** was followed a few weeks later by the release of the Beach report that stated, “the single most pressing concern is to stabilize existing child care programs, and to do that it is essential to raise staff salaries.”⁵⁶

Unfortunately, the government’s performance over the last five years has not come close to matching the rhetoric. In 2003, 24 centres in Nova Scotia were closed, the third highest in any Province.⁵⁷ In recent months several other centres have closed due to lack of funding and others are operating in sub-standard and/or unsafe circumstances.⁵⁸

A leading advocacy group declared as recently as October 2004 that the Nova Scotia child care delivery system was in crisis.⁵⁹

That the crisis exists despite an unprecedented infusion of federal funding for child care in Nova Scotia is especially disturbing. In September 2000, Nova Scotia signed the federal-provincial-territorial Early Childhood Development Agreement.

The Agreement focused on the development of young children, from the prenatal period to age six. It identified four key areas of action:

- Healthy pregnancy and birth;
- Improved parenting and family supports;
- Strengthened early childhood development, learning and care;
- Strengthened community supports.

⁵⁵ Ibid, p.8

⁵⁶ Beach, op. cit, p. 36

⁵⁷ CCRU 2004, Table 20

⁵⁸ Halifax Chronicle-Herald, “NDP queries child centre quality,” July 22, 2005

⁵⁹ Connections, Vol. 8, No. 2, Child Care Connections, October 2004

Under the ECDA, the Federal Government committed to transferring \$66 million to Nova Scotia over five years, 2000 to 2005. In addition, the Multilateral Framework Agreement on Early Learning and Care (ELCC) was signed in early 2003, adding \$30.5 million over five years, 2003-08.⁶⁰ Unfortunately, only about half of the new federal money found its way into regulated child care from 2000-01 to 2003-04.

As noted in Table 2.1, child care spending in Nova Scotia in 1998 – three years before the ECDA – was \$15.7 million. In 2003-04, three years after the Agreement, spending was \$19.8 million. In the years between, spending fluctuated. As discussed in Section 2, spending actually fell in 2000-01 to \$12.9 million. Applying the parameters used by the CCRU to measure child care spending by provincial governments, to figures published by the Department of Community Services,⁶¹ it would appear that provincial spending on regulated child care for 2001-02 was \$17.0 million, \$21.0 million in 2002-03 and \$19.8 million in 2003-04 (as reported in Table 2.2). Increases in federal funding under the ECDA and the ELCC, and increased provincial spending on regulated child care are shown in Table 4.1.

Table 4.1 Changes in Federal funding and provincial spending on child care, 2001-2004

	Increased funding under ECDA/ELCC	Increased spending on regulated child care (over 2000-01 base)
2001-02	\$9.1 million	\$4.1 million
2002-03	\$11.9 million	\$8.1 million
2003-04	\$15.8 million	\$6.9 million
Total	\$36.8⁶² million	\$19.1 million

As Table 4.1 shows, Nova Scotia received \$36.8 million in new funding from Ottawa under the two child care agreements. Of that, \$19.1 million, or 51.9%, was spent incrementally on regulated child care.

The increase would be even less if we were to take as the base 1998, when the Province spent \$15.7 million (see Table 2.1) on regulated child care. In effect, about 40% of the increased spending shown in Table 4.1 went simply to restore provincial spending to the 1998 level.

As for the rest of the \$36.8 million (\$17.7 over three years), it was spent on the other three priority areas identified in the early childhood agreement, as well as some additional areas. In 2003-04 ECD spending in the other priority areas not directly related to regulated child care amounted to over \$9 million. That included \$3 million for the

⁶⁰ Department of Community Services, “Early Childhood Development Initiative & Multilateral Framework on Early Learning and Child Care, Annual Report 2003-04, p.4

⁶¹ Ibid, p. 48

⁶² These numbers are from two sources – the ECDI annual report (p.46) and a Fact Sheet provided by Child Care Connections (<http://www.ccns.org/pdf/c3f.pdf>).

Healthy Beginnings Home Visiting Program, \$1.6 million for information, support and educational programs run through Parent Resource Centres, \$1.2 million for Administration and Operations, \$1.1 million in ECE training grants to various educational institutions and \$450,000 for Information Systems Development.

The province also spent \$2.3 million in ECDA money providing child care grants of up to \$400 a month⁶³ to “assist Employment Supports and Income Assistance recipients with child care expenses in their move towards employability and self-sufficiency.”⁶⁴ Parents may choose regulated, unregulated or care by a relative (but not a spouse).

On the question of dealing with the key issue facing child care in Nova Scotia – stabilization of programs through increased staff salaries - the impact of the new federal child care agreements has been even less. Since 2001-02 the province has spent ECDA funds on Stabilization Grants - \$3.5 million in the first year, \$3.7 in the following year and \$3.8 million in 2003-04 as wage enhancement. In total about \$11.0 million of the \$36.8 million in new federal money spent on child care went out in Stabilization Grants.

However, up to 20% of those grants could be used for training, and they also had to cover increases in CPP contributions and E.I. Premiums. When these factors are taken into account, it appears that only about one quarter of the new funding from Ottawa has gone into dealing with what has been identified in report after report as the most pressing problem in the field - the wage levels of child care workers.

In the most recent accountability report on Nova Scotia’s Early Childhood Development Initiative (ECDI), the Minister of Community Services reported that a survey conducted in March, 2004 showed the Stabilization Grant “has enhanced the salaries of early childhood educators.” He gave no further details. But in the workplace, one indicator of the minimal impact of the new federal money on wages in Nova Scotia was a CUPE survey showing that wages for unionized early childhood educators in Halifax in 2004 were only \$19,128, versus \$33,160 in Ottawa and \$32,105 in Toronto.⁶⁵

4.1 New opportunities, new questions

On May 16, 2005, Nova Scotia and the Federal Government signed an agreement-in-principle to the latest expansion of national child care, the \$5 billion early childhood development and child care agreement.

The agreement gave Nova Scotia \$20.4 million in 2005-06; \$18.8 million in 2006-07; and in excess of \$30 million a year from 2007-08 to 2009-10. Under the agreement, provincial and federal governments agreed to provide services based on the QUAD principles of Quality, Universality, Accessibility, and Developmental care. How that will look in practice in Nova Scotia remains to be seen.

⁶³ ECDI Annual Report, p. 46

⁶⁴ Recipients are free to choose the type of child care – informal or regulated. Parents who gain access to a regulated space may use the allowance to cover the difference between the subsidy rate and the centre’s fee.

⁶⁵ Canadian Union of Public Employees, “Wages for child care workers: the link with quality,” Nov. 1, 2004 ([www.cupe.ca/www/Child care](http://www.cupe.ca/www/Child%20care))

For example, what about Quality? Will funds under the new agreement be earmarked to non-profits centres, given their record of superior quality? And in terms of Quality, will funds be used to bring about a significant improvement in wages and benefits for workers, on whose performance achievement of *developmental* objectives will depend?

And what about Universality? How can the service be made available to all families who need it? What about Affordability? Given the over-reliance of the current system on user fees, how can the service be made affordable to Nova Scotian families as well as to the public purse?

These are the kinds of questions that need to be addressed in any conversation about the future of child care in Nova Scotia. The agreement-in-principle required Nova Scotia to complete an Action Plan before concluding a detailed multi-year funding agreement by Feb. 15, 2006. Instead of engaging in a wide-ranging discussion leading to a visionary child care plan for Nova Scotia, the government kept close control of the process, conducting a web-based survey and holding some focus groups. Participants of those focus groups report that they were tightly scripted events, with no opportunity to develop consensus on any of the key questions facing the sector.

Since the latest national child care plan was announced over a year ago, debate about the future of child care has tended to polarize around the a market approach being touted by the Klein government in Alberta (and to a lesser extent by New Brunswick) and the system that has been developed in Quebec since 1996. Nova Scotia may not be ready yet to fully embrace the Quebec model. But in the meantime, Manitoba provides a model of a middle way that Nova Scotia could pursue.

Manitoba is also a “have less” province with a population just slightly larger than that of Nova Scotia, striving to build an economic future without the benefit of great natural resources. In response to the challenges, Manitoba has embarked on an ambitious early learning and child care program because, as Premier Gary Doer has put it:

“Building for the future means that our youngest children are raised by caring adults and given equal opportunities to develop, start school ready to learn and grow into the leaders of tomorrow.”⁶⁶

As shown in Table 2.4, 2.5 and 3.5, Manitoba in 2004 already had 50% more child care spaces per capita than Nova Scotia, spent nearly three times more per child care space than Nova Scotia, and had one of the higher wage rates in the country.

⁶⁶ Healthy Child Manitoba, “Investing in Early Childhood Development: 2003 Progress Report to Manitobans,” 2004, p.5

Despite these achievements, Manitoba announced two-year plans in November, 2005 to use new federal funds to:

- Raise annual average salaries for teachers to the \$27,000-\$30,000 range;
- Add 3,000 spaces in existing non-profit centres;
- Provide funding to support the building, renovation or expansion of 50 child care centres;
- Address parent fees for subsidized families and freeze maximum fees (about 20% lower than Nova Scotia) for all families⁶⁷

5. A Way Forward

“Overall, the spending on child care has increased, as has the supply of regulated child care; yet many of the same challenges ...remain, such as low wages and minimal benefits, and lack of value for the work”

-Child Care Human Resource Sector Council: Working for Change: Canada’s Child Care Workforce,” p.2

Earlier sections of this paper have discussed the need for a better system of caring for young children, the importance of an improved system to the future wellbeing of Nova Scotia, and the fact that Nova Scotia has fallen behind other provinces in making the needed improvements. Nova Scotia needs to ensure that new federal funding for child care is applied incrementally, and according to a clear plan.

Some experts, such as the authors of Ontario’s *Early Years Study*, have envisaged a system of early child development and parenting centres to support children and families from conception to formal school entry. Such a system would build on existing infrastructure, including licensed child care centres, nursery schools, kindergarten, family support and early intervention programs. Advocates for better child care have also called for improved maternity and parental benefits as an integral part of the system. These are important measures. But given the nature of today’s labour market, in which parents working outside the home is the reality for most children, non-parental care will be the primary need for Nova Scotia families.

After staff salaries, the *Child Care Funding Review* identified the lack of a plan as the most serious problem facing child care in Nova Scotia. Planning does not seem to have improved in the four years since the funding review report was issued.

The current Conservative government appears to be pursuing three main policy objectives with respect to child care:

- The first is to use the availability of child care to encourage income assistance recipients to seek employment or training.⁶⁸

⁶⁷ Healthy Child Manitoba, “Manitoba’s Action Plan: Key Objectives,” November, 2005

- The second, as discussed in Section 3.2, is to further integrate the private for-profit day cares into the grant structure.
- The third is to gradually increase the number of subsidized spaces and make those spaces portable.

Those policy initiatives address to some extent the QUAD principles of universality and accessibility. However, the Nova Scotia government has never articulated any measurable expansion goals beyond an annual increase in the number of subsidized spaces. This approach has enabled an increase in the number of children from low-income families able to access child care.

It has also allowed low-income parents to access training or employment opportunities that might otherwise have been closed. However, the approach is not leading to creation of a system that is open to all children at a cost affordable to all families.

As for universal access, the Child Care Advocacy Association of Canada has suggested as a starting point for a universal system the provision of enough quality, affordable spaces to accommodate 50% of all children between 3 and 5, and 50% of all children outside that core group whose mothers are in the labour force.

Based on 2003 population figures, just to reach the starting point Nova Scotia would require 14,200 spaces for the core 3-5 age and 8,625 spaces for the 0-2 age group for a total of 22,825. In addition, we would need almost 29,000 spaces for after school care.⁶⁹ As estimated in Table 2.6, Nova Scotia has about 11,500 spaces for pre-schoolers, only about 1,300 for school-aged children. On that basis we are about half way (11,500 out of 22,825) to the starting line on pre-school child care. But when it comes to spaces for school-aged children, with just 1,300 out of 29,000 after school spaces, Nova Scotia hasn't even arrived at the race course yet.

The Nova Scotia vision for child care should include benchmarks toward universality and accessibility. But, as the four principles of the Federal-Provincial agreement make clear, quality and child development are equally important. Indeed, the two principles are intermingled, in the sense that high quality is measured by the amount of child development that takes place in a child care setting.

⁶⁸ Beach, op. cit. p.8

⁶⁹ Based on population figures published in CCRU, Provincial Context, Nova Scotia. The estimate for the 0-2 age group assumes only half of the children in the 0-1 age bracket would require non-parental care

The Child Care Human Resources Sector Council has described the quality of Canada's child care programs as ranging "from those that support optimal early childhood development to ones that offer mediocre custodial services that meet children's basic physical needs." The Sector Council says that quality "depends upon a trained, skilled and stable workforce. The quality of the work environment (including wages, benefits, working conditions and the organization of the work) affects child care staff, caregiver performance and program quality in child care settings."⁷⁰

The Sector Council goes on to say that "with a union contract, child care employees can have a greater voice in defining their working conditions, clarifying their rights and responsibilities (as well as those of the employer), and resolving problems or grievances. Unionization can also directly support increased opportunities for professional development, and working conditions that support improved quality child care and education."⁷¹

5.1 The Case for Quality through unionization

According to the 2001 Census there were 137,000 early childhood educators and assistants in Canada in 2001, of whom 44,000 worked at home and 93,000 worked in child care centres or nursery schools.⁷² Estimates from various years indicate that about 31,500 early childhood educators are unionized, about 25,000 of whom are in Quebec. Besides Quebec, only Ontario (3,866), British Columbia (1,548) and Manitoba (735) had significant numbers of unionized child care workers. Nova Scotia, with 155 out of approximately 1,400 child care practitioners, accounted for most of the unionized early childhood educators in the Atlantic Region.⁷³

The *You Bet I Care!* (YBIC) Project surveyed 239 centres in seven provinces and territories in 1998. The study concluded there were three main indicators of quality in child care centres:

- Higher wages;
- Training in early childhood education;
- Auspice (non-profit or for-profit)

The auspice issue was discussed separately in 3.2, where it was argued that non-profit centres provide a higher quality of care than for-profit ones. Training issues, on the other hand, cannot be separated from wages. As the Nova Scotia Child Care Funding Review noted, training opportunities are generally available – the problem is "the difficulty of recruiting and retaining trained staff, due to low wages and the reduced number of students entering the field."⁷⁴

⁷⁰ CCHRSC "Working for Change," p. 6

⁷¹ Ibid, p. 116

⁷² Ibid, p.6

⁷³ Ibid, p. 87

⁷⁴ Beach, op. cit., p. 27

As discussed in section 3.1, the *You Bet I Care!* Project studied wages and working conditions,⁷⁵ with a survey sent to 848 centres in every province and territory. It is the most comprehensive study yet conducted on the work environment in child care centres. The study found that for the classifications discussed in Section 3.1, workers in unionized centres made significantly more than non-unionized workers in three of four categories.

Table 5.1 Median Hourly Wages, Full-time staff, by position and unionization status, 1998

Position	Non-union centres	Unionized Centres	Difference
Assistant Teacher	\$ 9.51	\$11.02	15.9%
Teacher	11.13	12.96	16.4%
Teacher-director	14.25	17.00	19.3%
Admin. Director	17.67	16.87	-4.5%

Source: You Bet I Care! Cited in Doherty (2002)

Wage levels are influenced by a number of factors other than unionization, including education, experience, fees and the jurisdiction in which a centre operates. Two leading academics, Doherty and Forer, analyzed the results from the YBIC Study #1, and concluded that when all other variables were accounted for, teaching staff in unionized centres earn 8.3% more than their counterparts in non-union centres.⁷⁶

But wages are only half the story. Their *Unionization and Quality* study also showed that 13 of 17 benefits that affect daily working conditions were better in unionized centres, and that 12 of 15 longer term benefits – such as paid sick leave, pensions, disability insurance, extended health care – were better in unionized centres. The only set of comparisons that were even close concerned benefits to assist staff with professional development – there the union advantage was only 4-3.

Common sense would suggest that employees with better wages, benefits and working conditions would do a better job. Doherty and Forer’s analysis of data from the YBIC study found that to be the case.

- Turnover rates for teachers are significantly lower – 18.3% for unionized centres versus 34.3% in non-unionized centres. More unionized teachers said they expected to still be working in their centre in a year and in the child care field in three years. By wide margins, centre directors in unionized centres also had less of a problem, finding, affording and retaining qualified teaching staff.⁷⁷

⁷⁵ Study 1 “You Bet I Care! A Canada-wide study on Wages, Working Conditions and Practices in Child Care Centres,” 2000.

⁷⁶ Gillian Doherty, Barry Forer, “Unionization and Quality in Early Childhood Programs,” March 2002, p.

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⁷⁷ Ibid, p.27

- A significantly higher proportion of unionized centres act in ways that are predictors of higher levels of quality. The study looked at nine predictors of quality. Six involved teachers – higher level of education; higher wage level; staff numbers and staff/child ratios; greater use as a practicum centre, and positive feelings about co-workers. Three involved directors – experience in the child care field, formal education in the ECCE field and formal education in any field. Unionized centres had significantly higher scores in three areas: they hire staff with higher levels of ECCE education, pay significantly higher salaries, and a higher proportion of them are used as student practicum centre. The staff-to-child ratios in unionized centres was somewhat better, but very little difference was seen between unionized and non-unionized centres on the other predictors.⁷⁸
- Unionized centres score higher on overall program quality measures than non-unionized centres. Quality measures on which unionized centres ranked higher were: staff level of formal education, proportion of centre budget used for staff wages and benefits, and proportion of centres providing in-service education.

There are other ways in which unionization will contribute to better quality child care. A paper prepared for Nova Scotia's Child Care Connections by Jamie Kass and Bozica Costigliola and published in *Just Labour*⁷⁹ points out that the contributions of unionized centres to improved child care go beyond the measures quantified in the studies.

- Unions have been advocates for child care, pushing for the development of a universal, publicly funded system. Because the current system that relies heavily on parent fees pits the need for better wages against parents' ability to pay, unions have joined with parents to lobby governments for budget increases and grants to address low wages while keeping the service affordable for parents.
- Through the collective agreement and collective bargaining process unions strive to improve working conditions, and that means better service. "A child care provider with a manageable workload and health and safety protection is working in an environment that supports her to do a good job."⁸⁰
- Unionization supports professionalism because collective agreements, which set out work provisions and benefits, help workers to do their jobs well and be recognized for their contributions. Unionization also supports education and training, staff development, good pay for work performed and good working conditions, all aspects of professionalism.

⁷⁸ Ibid, p.29

⁷⁹ Jamie Kass, Bozica Costigliola, "The Union Advantage in Child Care: How Unionization Can Help Recruitment and Retention," *Just Labour*, Vol. 4, Summer 2004

⁸⁰ Ibid, p. 8

Despite the benefits from unionization, Kass and Costigliola argue that many people in the sector still fear what unionization might do “to the real or imagined collegial workplace dynamic on which the sector prides itself” or that it may “weaken a provider’s commitment to her job.” But they point out that the *Unionization and Quality* study shows that unionized child care workers are just as committed to their work as non-union workers. Even though many unionized centres provide paid preparation time, unionized teaching staff donate half a day per week of unpaid overtime.

And directors in unionized centres felt much the same as their non-union counterparts about how well their staff worked together as a team.

“Unionization may not be the only strategy for solving recruitment and retention problems in child care,” Kass and Costigliola conclude. “But it certainly has proven to be a very effective way to get measurable results to improve the lives of child care workers and the quality of services for children...The challenge now is for the sector and labour to find ways to work together to move forward on the critical issues in child care, especially recruitment and retention.”⁸¹

⁸¹ Ibid, p.12

Conclusions and Recommendations

The Nova Scotia government's *Child Care Funding Review* made the case very powerfully in 2001.

“Average working families cannot afford to pay the full cost of quality child care. Caregivers will no longer help pay for the system through their low wages. The supply of quality, licensed child care is in short supply and is not increasing; many people are spending their days in care-questionable arrangements. A market-driven, fee-for-service child care system, developed in an ad hoc, piecemeal manner cannot meet the needs of children or families.”⁸²

As the report noted at the time, a comprehensive, quality system, available to all children at a reasonable cost, will not be built overnight. The Early Childhood Development Agreement and the follow-up National Framework provided the Nova Scotia government with an opportunity to move forward on a universal child care system. The government missed that opportunity, but the new national plan gives them another chance - and increased financial means.

We can't afford to miss this time. Nova Scotia has lagged badly behind other provinces and is in danger of falling further behind, to the detriment of our children and our future.

The recommendations that follow are not a blueprint for a comprehensive child care system for Nova Scotia. However, these are steps the Nova Scotia government needs to take to begin the process of building a high-quality universal early childhood education system.

- 1. Ensure that increased federal funding for child care is directed only towards licensed, regulated centres.**
- 2. Follow the advice of the *Child Care Funding Review* and the example of provinces like Manitoba and move immediately to substantially increase the salaries of early childhood educators.**
- 3. In consultation with workers and the child care community, develop a comprehensive human resources strategy involving wages, benefits, working conditions, recruitment, training and professional development.**
- 4. Take immediate steps to ensure that the child care sector in Nova Scotia remains community-based.**

⁸² Beach, op. cit. p. 35

- 5. Freeze licensing of for-profit child care centres and facilitate the conversion of for-profit centres to non-profit status over a five-year period.**
- 6. Provide start-up supports to encourage development of community-based non-profit child care, particularly in rural communities where service is often non-existent.**
- 7. Set as a ten-year goal the provision of high-quality, universal early childhood education, establish annual targets and provide timely annual progress reports on the achievement of those targets.**
- 8. Consult with the community, parents, child care providers and schools and other interested groups to develop an integrated, community-based delivery model that includes child care and other early childhood development programs.**
- 9. To ensure accessibility, set goals for reducing parents' share of the total cost of licensed child care to 20% from its current level of more than 70%.**
- 10. While increasing its own funding to meet established targets, Nova Scotia should join with other provinces to advocate for increased federal support for child care, working towards a 40-40-20 federal-provincial-parents' split of child care costs.**

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