

# Minister acknowledges 'challenges' to families as daycares raise costs due to minimum wage hike <sup>[1]</sup>

One family says daycare responding to minimum wage hike by upping fees by \$368 per month

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Ontario's minister overseeing daycare and early childhood education acknowledged Monday that families are facing "challenges" in the form of rising childcare costs in the wake of the minimum wage hike. But Indira Naidoo-Harris also said that it's up to municipalities to disperse funds the province has made available to childcare centres to help them cope with those costs.

Naidoo-Harris responded to questions about complaints from parents, who have said that in recent weeks, childcare centres have upped fees they charge in response to the minimum wage hike.

"I know there are challenges out there that families are facing. But we are working hard with our partners ... to get it right. And we are getting it right," Naidoo-Harris said Monday morning.

"Are there some challenges that families are still facing? Absolutely. That's why we are working hard right now to ensure that we're doing everything we can to react as quickly as we can."

On Jan. 1, the province's minimum wage rose to \$14 per hour, and since then, stories have emerged of businesses responding by passing on costs to customers, workers, or both.

Over the weekend, Toronto mother Taryn Aitken said that back in November, the daycare to which she sends her two children sent a letter to parents saying that fees would be going up in the new year. The letter said that the fee hike would occur despite a pledge from the province of \$12.7 million to help daycares cover the costs associated with the wage hike.

### 'We don't have that disposable income'

Aitken and her husband were paying just over \$1,600 a month to the daycare for their two children: a one-year-old and a three-year-old. The fee for the two children rose by \$368 per month, which translates to about a \$4,000-per-year increase.

The couple has had to rethink some financial decisions, she said, and has put off signing up their eldest child for skating and swimming lessons.

"We've definitely had to do some re-arranging and re-evaluating," Aitken told CBC Toronto. "We don't have that disposable income at our disposal anymore."

According to Naidoo-Harris, the province released the \$12.7 million to the municipalities late last year. She is now in the process of finding out where that money is, though she said some daycares have received it.

"We are working with our municipalities," she said. She noted that more changes to the childcare system are coming, pending an affordability study being conducted by researcher Gordon Cleveland. A strategy that will come from that study is to be presented to the ministry this winter, she said.

Aitken said she supports a hike to the minimum wage, and believes childcare workers and early childhood educators should be well-compensated for the work they do. But she wants to see a "conversation" in the province about universal childcare.

She would not mind a little extra tax coming off her paycheque to fund such a system, she said.

"It's like anything, it's like healthcare," she said. "It's about society working together, and when society works together it functions better."

Rising child-care costs force middle-class families to make some tough decisions, she said. That includes the reality for some women that

they just can't afford to re-enter the workforce after having a baby.

"When women go back to work, they have to make a decision about, 'What do I do with my child?' That child has to go somewhere," she said. "Daycare provides a safe environment, a structured environment and a learning environment. And this is what children need. And it's investing into the future."

### More childcare spaces

Also on Monday, Naidoo-Harris re-announced the province's intention to create more than 2,700 licensed childcare spaces for children up to age four.

A news release from the ministry said 39 new schools and 40 major renovations and additions to current schools will result in 157 new childcare rooms that will be located closer to families' homes.

"This is good for kids, good for educators and good for families," Naidoo-Harris said. "This gives families the support they need right where they need it, which is close to home."

-reprinted from CBC News

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