Toronto daycare operator reduces wages, cites lack of funding [1]

200 staff across 25 Learning Enrichment Foundation locations to be affected: director

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Excerpts

A major Toronto daycare operator that's part of the national $10-a-day child-care program is reducing wages for hundreds of employees, saying it has no choice due to an out-of-date funding model that's forced it into debt.

The Learning Enrichment Foundation (LEF), which operates 25 child-care centres in Toronto that care for approximately 1,800 kids, told parents in a letter last week it made the "incredibly difficult decisions" to implement wage reductions and change some staff roles in order to keep operating.

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Ontario committed to replacing revenue lost by participating day cares who halved their fees. The province based the amount each would receive on the fees they charged in March 2022, with annual increases of 2.75 per cent last year and 2.1 per cent this year.

But the rapid rise in the cost of living since then and the need to improve the pay of child-care staff to cope with a severe shortage of workers in the sector have outstripped those increases.

Wage increases had 'remarkable' effect, operator says

LEF executive director Peter Frampton says around 200 staff members will see their hourly wages cut by $2.32 to around $30 per hour in September. The wage cuts come after the foundation increased pay last year to help retain more staff and boost the quality of care the provided, a move Frampton said "had a remarkable and good effect."

"The pressure on frontline workers is unconscionable and and there has to be some changes," Frampton said. "People need to be able to have confidence that they can feed their own family as they're caring for others."

Operators in Ontario have been warning about the risk of closures if the province's funding formula isn't updated to cover the actual cost of providing care, rather than just replacing lost revenue.

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Frampton said he hopes the wage rollback for his staff will prove temporary, as the provincial government plans to implement a new funding model in 2025 that is cost-based.

But for now, he says, there's no choice but to proceed with the cut.

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Morna Ballantyne, executive director of the advocacy group Child Care Now, said the CWELCC program has been mostly successful at reducing fees at licensed child-care centres across the country, but in Ontario the replacement funding hasn't been sufficient.

"Replacing the foregone parent revenue with public funds is not enough because the costs of operations have gone up significantly," Ballantyne said.

"The provincial government has just simply not taken that into account in the amount of money that it's been transferring to municipal service managers, who in turn pass it on to the operators."

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