

# Low salaries hurting our kids [CA-AB] <sup>[1]</sup>

Part two of a four-part series

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## AVAILABILITY

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## EXCERPTS

As Canada lurches towards a national child care policy, Alberta is dealing with its own issues: some of the lowest paid workers with the highest turnover, a surplus of for-profit spaces and lineups for non-profit.

For a decade, Alberta's day-care industry has staved off collapse, shaken by a staffing crisis, the gouging of low-income families and an explosion in cheaper, unregulated care.

An announcement last week that \$489 million in federal funding over five years will go towards addressing some of those problems has the industry cautiously optimistic - although some concede any news is good news for an industry where things couldn't get much worse.

"This is very positive and is a really good start," says Jennifer Grant, manager of the King Edward Child Care Centre, 8530 101 St.

"We're not where we're trying to get to yet, in terms of a wages for staff and overall quality of care, but we're getting there in degrees."

The industry might not be in such a mess, its leaders say, if not for the 1999 removal of day-care subsidies and provincial government ideology.

They're banking on a new accreditation system to turn things around.

Alberta has the highest child care worker turnover rate in the country, at about 46.5%. Most Edmonton workers only have Early Childhood Development 1, an orientation course, and make just under \$9 per hour. Students trained in Early Childhood Development are preferring fields that pay a lot more, such as tutoring within school systems.

The new money will provide for wage incentives at centres striving for accreditation or who have already received it. But with a top-end wage of about \$11.50, workers can still make a lot more money by transferring their skills to other fields.

"Last year was really bad," said Connie Gordon, of the Wainwright Child Care Centre. "We addressed three positions and had maybe four applications. It took nine months. When people would call in and find out what we pay, they'd just say 'forget it, I can go to Extra Foods and make more than that'."

Grant and others say the problem is ideology. By promoting the idea parents should always be able to take care of their own kids, the government has ignored reality: 71% of parents with kids under five are in the workforce from financial necessity.

"Most of the centres are shooting for best practices. They try to get as many quality staff as they can but they're just tapped out completely," says Sherrill Brown, with the Early Childhood Development program at MacEwan College. "What has happened across Canada is child care workers have been subsidizing the true cost of operating day cares through low wages."

In 1999, the province ended operating grants that paid the bulk of centres' costs, and instead raised subsidies for the poor. That came about 15 years after it first deregulated day care, leading to a glut of private centres - which now make up 65% to 75% of the market.

But the decision had two unintended consequences: First, the subsidy still wasn't enough; at a maximum of \$475 per month, it fell short of \$600 average monthly cost of day care in Edmonton and has not been raised since. That forced many parents to opt for unlicensed, untrained babysitters. That subsidy has now been increased to \$575 per month.

Secondly, even though the subsidy goes directly to the centre, it still fell short of the operating grant each centre previously received. Budgets were slashed as a result, and centres now have staff with the bare minimum qualification, an Early Childhood Development 1 orientation course.

Barbara Coyle, of the Canadian Child Care Federation, says Alberta's direction doesn't make sense.

"Would you want your kids going to a place where there's a lack of knowledge of how they should be treated and taught because their worker is so new? We need an acknowledgment that quality child care costs more," said Coyle.

The Alberta Urban Municipalities Association petitioned the government in 2001 to reinstate operating grants.

"We got an answer from the ministry that we did not accept," said Calgary Ald. Bob Hawksworth.

"We pursued the matter directly with the minister of children's services but that was unsuccessful."

That was despite a pair of studies commissioned by the provincial government in 2001 that supported the AUMA conclusions. Both were completed by the consultants KPMG but written with Alberta Children's Services and showed how Alberta could have used day-care subsidy program savings to pick up the tab itself.

Among the 2002 findings in "Supporting Day Care Professionals, Issues and Options," were:

- "Day-care workers who are currently working in day-care centres in Alberta are being paid at rates which are well below the salaries of other occupations in human services, even though the ... services are often similar."
  - The study "also shows that staff leaving due to inadequate pay was 75% more common in commercial day cares in proportion to non-profit."
  - The poor are being gouged. "There are numerous instances of day-care centres charging "two-tiered fee rates." This involves charging low-income subsidy recipients higher monthly fees, than non-subsidized families."
  - The government has admitted day care is a necessity: "Government has already acknowledged that there is a real public and economic interest in supporting this regulated child care. In some areas and communities, the financial operating challenges documented herein have reached the point where day cares are closing and leaving entire towns without this option."
  - Day-cares bear high costs due to government rules but get no help.
- "Day care centres are regulated like a public service but have experienced a removal of direct public funding."
- The provincial government is contributing to the problem. Government "may have intervened in market forces by artificially influencing demand for staff by subsidizing the wages of other occupations that require similar skills."
  - Day cares put people back to work. "Day cares play a crucial role in supporting families so that parents can attach themselves to the workforce."
  - Alberta is the only province that routinely subsidizes neither operating grants for centres or wage enhancements, although it has offered training subsidy enhancements.
  - Day-care subsidies saved the government nearly \$130-million over that decade by moving more than 2,100 people off of Supports for Independent Living funding.

In the end, it only made two recommendations. It recommended a system of industry accreditation be put into place, to which the province agreed.

But it also recommended boosting the income cutoff for subsidy support to more than \$34,000 per household, which would have immediately given another 2,000 families access. And the report said the "significant majority" of any new funding for child care should go first and foremost to the subsidy program, raising both the cutoff and its monthly value.

Last week's announcement topped that, raising the income cap to \$39,000.

A second report, Family Day Home and Out of School Childcare, an Environmental Scan, was no more flattering. Day homes are licensed private homes which are contracted to take care of up to 10 kids per day of various age groups.

- Thirty five per cent of the \$14.4 million spent on family day homes in 2001 went towards administrative costs.
- Licensed day homes are frequently inaccessible in smaller communities: There is "an untenable critical mass of clientele in sparsely populated areas ... without some measure of consideration of an enhanced administration fee, it is economically unrealistic to expect any family day home agency to service many of these areas."
- Without day-home agencies, "this means that families in these communities that have incomes that would qualify for child care subsidy, are completely unable to access the subsidy with no regulated care sources to pay it towards."
- The province contributed to the problem in 1994 by allowing unlicensed babysitters to care for as many kids daily as day-homes. Parents who can't get the child care subsidy and therefore can't afford day home in their community went to the cheaper alternative of unregulated care.
- Those under subsidy are charged "parent portions on top of the day home fee with little or no accountability for this practice. This practice of surcharging should be reviewed."

The report points out there are 43,280 kids in Alberta who qualify for subsidy, but only 12,000 are accessing it, suggesting many others are being placed in unqualified care.

While that doesn't equate to the bulk missing out on care - some would be in single-working, two-parent families - it suggests that the unregulated system, which does little to stimulate child development, is getting the bulk of the kids.

Whether that will change under the new subsidy scheme remains to be seen.

Liberal Children's Services critic Weslyn Mather wasn't surprised that the Klein government has chosen not to invest the program's savings back into child care. If Alberta wanted to spend on quality care, it could already, Mather said.

"With huge surplus after huge surplus, how can we possibly justify not spending adequately on our kids?" she said.

- reprinted from the Edmonton Sun

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