

# Non-profit child care centres rate better, study shows [CA] <sup>[1]</sup>

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## EXCERPTS

When they started secretly watering down the milk, Cassandra McCormackSmith knew it was time to open her own child care business.

For five years, she had worked at two private child care centres in Winnipeg for just a few dollars more than minimum wage despite her college diploma in early childhood education. But it was not until she observed corners being cut - five-year-old children forced to nap to allow workers to take breaks, untrained workers hired and diluted drinks at snack time - that she quit to open her own centre in a nearby church basement, one with trained caregivers and nutritious meals.

She lasted less than a year in business before nearly going bankrupt. Despite the church cutting her slack on the rent and free groceries from the local food bank, Ms. McCormackSmith could not make ends meet.

She could afford to hire workers only at minimum wage, and they usually quit after a few months. However lofty her intentions, she was running the kind of child care that she had renounced the year before.

"You can't charge your parents enough money to pay your staff an equitable salary. Now I understand why they were watering down the milk. I thought they were just being cheap." Ms. McCormackSmith soon switched her private business into a non-profit centre, entitling it to operating grants from the Manitoba government that could help buy supplies and pay higher wages.

As someone who has straddled the two worlds of private and not-for-profit child care, Ms. McCormackSmith has a ringside seat to a growing debate over the future of child care. In the months since Ottawa announced it would pour \$5-billion into a national early childhood education system over the next four years, the question of how to provide the best care has become paramount.

In a report to be released Monday, two University of Toronto economists wade into the debate with a finding that it's more than just government funding that sets non-profit child care apart &mdash; even correcting for higher levels of government support, the not-for-profit sector provides better care.

In their study of quality ratings from 325 daycare classrooms across Canada, economists Gordon Cleveland and Michael Krashinsky found that non-profit child care centres scored, overall, 10 per cent higher than their for-profit counterparts. While the bulk of child care centres falls into the mediocre range of the scale, most of the top-ranked centres were non-profits and a disproportionate number at the bottom were commercial.

When the economists crunched the numbers to take account of the different levels of government funding, they found that non-profits scored nearly 7 per cent higher in quality than private centres.

Part of the story, the study notes, is that non-profits are free from the motive to make money and can pour surpluses back into operations. Non-profits are also more likely to hire more trained staff, pay higher wages and entrust fewer children with each worker than commercial centres.

"Being non-profit doesn't inoculate you from disease," Prof. Cleveland says. "But it's pretty clear that the effect of non-profit is important. It's substantial, but it's not everything."

In the research, child care centres were scored using scales that rate quality from one to seven according to several criteria, from personal-care routines like diaper-changing to learning activities that promote language development. While about 43 per cent of non-profit centres scored at least a five, just 26 per cent of commercial daycares rated that high.

As federal Social Development Minister Ken Dryden sits down to draft a blueprint for the national early learning system, Prof. Cleveland insists that rather than parcelling out millions to the provinces to spend at will, Ottawa should be attaching strings to the funding. And one of those strings should compel the provinces to invest in non-profit child care.

Not everyone agrees. Peter Knoepfli, who with his wife has owned and run Brant Children's Centre in Burlington, Ont., for the past 25 years, insists that it is unfair to hold private child care to the same standard as non-profit centres more richly rewarded with government grants.

Mr. Knoepfli argues that the for-profit sector, which gets some government support, should receive equal funding to that of the not-for-profits if Ottawa wants to provide better quality care and more spaces.

The U of T study is only the latest in a flurry of Canadian research on the subject.

In Quebec, the famed \$7-a-day child care system, often hailed as the gold standard for the rest of Canada, has been evaluated in two separate studies over the past 18 months that both found for-profit child care to be wanting.

One study that followed children born in the year the Quebec system was launched at 1,188 daycare centres also found commercial child care to be second-rate on the whole: while 34 per cent of the non-profit centres scored as "good" or better, just 13 per cent of the for-profit centres made the mark and they were given most of the lowest marks.

As important, the research found that the wealthier the parents, the more likely their children are to be enrolled in one of Quebec's top-ranked child care centres.

A recent study by the Quebec government finding 37.4 per cent of for-profit child care for preschoolers to be "unsatisfactory," compared with just 5.5 per cent of non-profit centres. Just 11 per cent of for-profit care ranked as "good or very good," while 42 per cent of non-profit centres were rated thus.

- reprinted from the Globe and Mail

**Related link:** A study of non-profit and commercial child care centres in Canada<sup>[2]</sup>

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