

Good reasons for policy ^[1]

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The following letters to the editor were in response to the story [Daycare-subsidy rules bad for business](#) ^[2](see text of article below):

Letters to the editor: Good reasons for policy

Manitoba deserves congratulations for its policy of restricting some of its public funding to not-for-profit child-care centres. It's easy to understand why entrepreneur Victoria Sopik of Kids & Company, would wish that her private business could be more subsidized by Manitoba taxpayer dollars ([Daycare-subsidy rules bad for business](#), June 18), but there are very good reasons to maintain our policy.

First, it is greedy of business owners to ask for subsidies, and it would be inefficient to use taxpayer dollars to pad the profits of private owners. Second, there's significant evidence the quality of care for children in commercial child care tends to be lower (in large part because of poorer wages and working conditions for the early-childhood educators).

Third, there is equity of access: all of Manitoba's not-for-profit centres charge the same parent fee, a maximum of \$29 per day, unlike the \$50 to \$70 per day charged by the commercial operator. Finally, international research shows that in jurisdictions with a large commercial sector, regulations and standards tend to get lowered to maximize profitability -- something that further jeopardizes quality for children, families and staff.

Solving the severe shortfall of child-care services in Manitoba requires public and not-for-profit solutions, not underwriting for-profit businesses.

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Victoria Sopik's claim that Manitoba is "unique in limiting funds to for-profit centres" is wrong on two counts. First, profit-making child-care centres do benefit from fee subsidies (but not operational funding) in Manitoba. Second, no public funding at all is provided to for-profits in Saskatchewan.

Sopik is not only wrong but wrong-headed. There are excellent reasons why the Manitoba government has historically been unenthusiastic about spending public child-care dollars to support owners' and shareholders' profits. Considerable evidence shows the same funds can be used more effectively and accountably, with demonstrably better quality and access results, to support non-profit and public programs.

MARTHA FRIENDLY

Childcare Resource and Research Unit, Toronto

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Excerpts from article in Winnipeg Free Press, 18 Jun 13:

The lack of provincial subsidies is preventing Winnipeg's only corporate-sponsored, for-profit daycare operator from expanding as quickly as hoped, the company's co-founder said.

"For lots of families, it's a funding issue," Victoria Sopik, co-founder of Toronto-based Kids & Company, said in an interview Monday.

Sopik said Manitoba is the only province among the six Kids & Company now operates in that doesn't provide subsidies to both for-profit and not-for-profit child-care centres.

The subsidies help lower the fees its daycare centres charge for their services, but because they're not available in Manitoba, it has to charge the full amount here, which is \$50 to \$70 per day, depending on the age of the child, she said.

That seems to be more than some families are prepared to pay, she said, which discourages companies from paying the \$5,000 annual fee to become a Kids & Company client. The membership fee only reserves child-care spaces for their employees. The company or the employees still have to pay the daily child-care fee, and Sopik noted in most cases it's the employees who cover the cost.

Kids & Company opened its first Winnipeg outlet last June at 158 Fort St. The 8,000-square-foot centre is licensed for 91 spaces, but only about 40 have been filled so far.

Sopik said they'd like to open a centre in the south end of the city, "but we'd like to get 20 to 30 more (children) in so we're around the two-thirds (full) mark before we open another one."

"We'd love to have it be in the next year, but it all depends on how this one grows."

All but one of the Winnipeg centre's clients -- the Manitoba Bar Association -- are national firms who are also clients of Kids & Company in other cities where it operates.

One of them is the Bank of Montreal, which has been offering Kids & Company's emergency backup child-care services to its employees since 2009.

"It's something our employees flagged to us as being important to them," Natalie Scott, the bank's managing director of benefits and recognition, said Monday.

Scott said BMO offers its employees up to 10 days a year of free emergency backup services with Kids & Company as part of its regular employee benefits package. She said it's helpful in both attracting and retaining workers.

"We've had a really strong uptake (of the service). We've seen... it increase by at least 50 per cent or more per year, so it's definitely something that's growing in momentum."

Sopik said another reason Kids & Company's fees are higher than some other child-care centres is it offers a broader range of services, including reading and art classes, more flexible packages and no late fees.

"So if they (parents) are stuck working late, we can feed their children dinner and they won't be charged a late fee (for not picking them up at the regular time)," she said.

-reprinted from the Winnipeg Free Press

Region: Manitoba ^[3]

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[2] <https://www.winnipegfreepress.com/business/daycare-subsidy-rules-bad-for-business-211939761.html>

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