

Issues That Matter

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A caution about wage subsidies

A number of jurisdictions are raising the salaries of Early Childhood Educators this year but all allocate more funding to qualified staff as a way to build a professional workforce. Ontario's announcement doesn't appear to include this differential. At \$2 an hour over two years, Ontario's raise is comparable to adjustments in Quebec, PEI and Newfoundland but less than the \$6/hour going to trained ECEs in the NWT.

As welcomed as the \$269-million promise is, there are good reasons to be cautious about across-the-board wage hikes. Raising wages without considering qualifications or fast tracking staff to credentials can have unintended consequences. Wage increases not only help attract and keep qualified educators, they also incent unqualified workers, creating a long-term drag on efforts to improve quality.

An undifferentiated wage top up is particularly worrying when many programs have reverted to minimum levels of trained staff and Ontario regions are operating with record numbers of director exemptions – unqualified staff holding positions that should be filled by educators registered with the College of ECEs. With over 42,000 registered educators and the colleges pumping out 2,800 new grads each year, the problem isn't a shortage of skilled labour. Rather ECEs are parking their diplomas to work elsewhere; turned off by the quality of care in too many programs.

Ontario's child care services need a cash infusion, but how funds flow can be as important as how much. Child care budgets are derived from a mixture of enrolment initiated and staff-based funding sources; creating heavy accounting burdens and contributing to program instability. The province just gave child care service managers some ability to streamline the funding chaos. A new wage grant shouldn't layer a new administrative load onto service managers or operators.

If the goal is to even the ECE wage field, a top up targeted to licensed child care creates yet another tier by excluding ECEs working in Ontario Early Years and resource centres. Creating parity between the community and public sectors could be accomplished by applying the same funding formula to early years programs as used for schools. Early education could then count on the same predictable adjustments as primary education.

Another option is to allocate public funding by the number of qualified educators per program. To ensure funding goes to wages, a regional wage grid would suffice. Salary grids also support program stability by reducing competition for qualified staff. This is particularly important during periods of transition.

The promised money provides an opportunity for the ministry and the sector to rethink how public funding can support both quality and stability goals. Tying payments to staff and their credentials and a wage grid would encourage workforce capacity and provide an efficient, transparent mechanism offering accountability to staff and the public alike.

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CBC News, April 22, 2014: Ontario Child Benefit Increases to be Tied to Inflation, Liberals also Want to Give Early Childhood Educators \$2/hr Wage Increase
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Toronto Star, April 22, 2014: Ontario Liberals Vow to Index Child Benefit and Boost Daycare Wages
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