



Advancing Pay Equity in Child Care: A 5-Win Strategy for Change



WHAT IS B2C2?



B2C2: Organization Dedicated to Expansion of Non-Profit Child Care



3 Major Barriers to Expansion

No Capital

Insecurity of Operating Funding

Staff Shortages and Low Wages



Who is the 5 W Pay Equity Group?



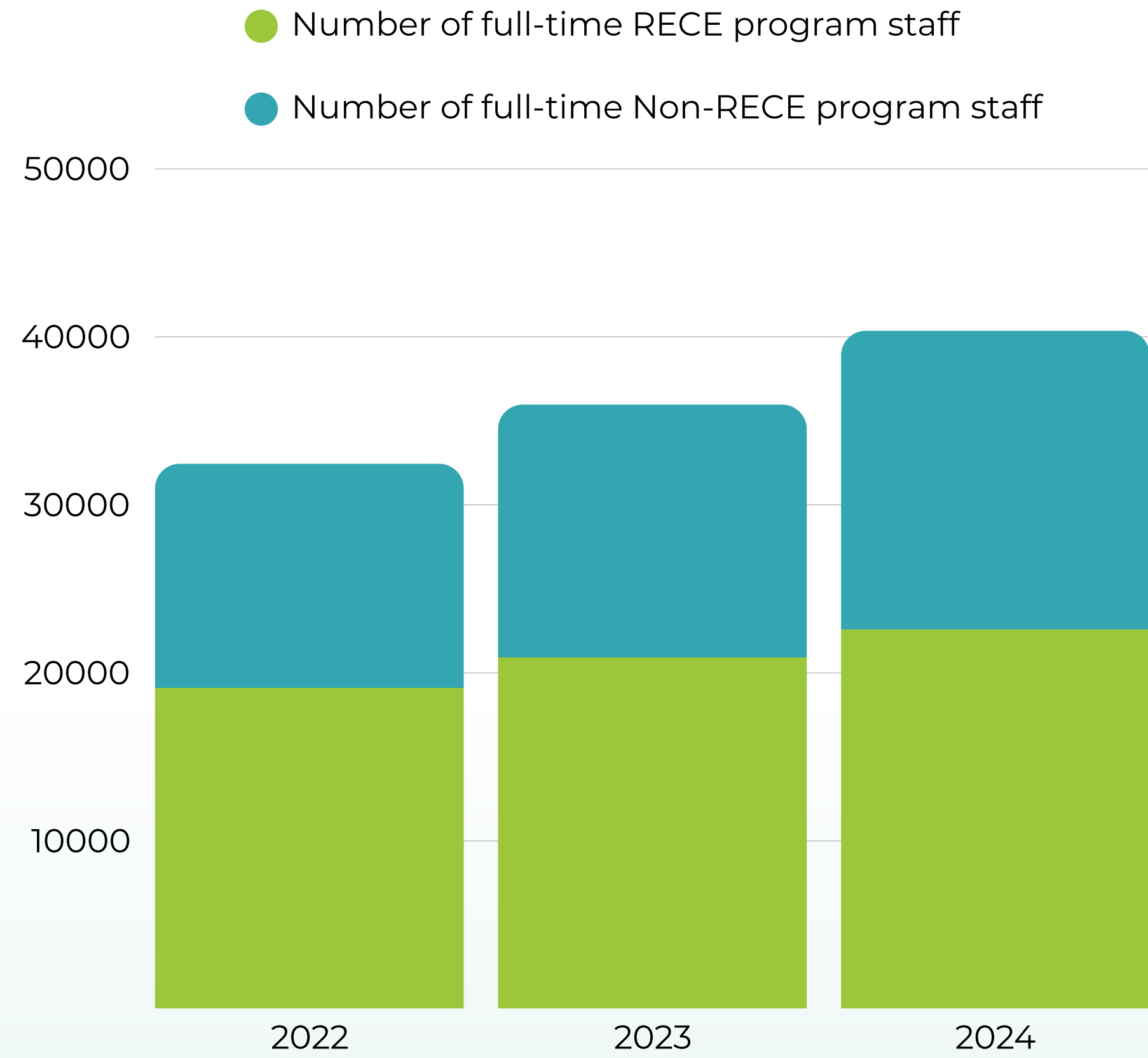
- **B2C2**
- **ONTARIO COALITION FOR BETTER CHILD CARE**
- **ASSOCIATION OF EARLY CHILDHOOD EDUCATORS OF ONTARIO**
- **ONTARIO EQUAL PAY COALITION**
- **ATKINSON FOUNDATION**



Staff Shortages



Number and Percentage of Full-time RECE Program Staff



Source: Ministry of Education Early Years and Child Care Annual Report 2024 (figures based on 2023 collection)



- The province estimates a shortage of 8,500 educators.
- **This is a clear underestimate.**
- Despite the ambitious expansion agenda, the growth of RECEs over the last three years has been virtually non-existent.
- The Financial Accountability Office (FAO) projects a need for 300,000 new child care spaces at \$10/day.
- Ontario plans to add only 71,000 spaces by 2026 leaving a gap of 229,000.
- The FAO projects the need for over 227,000 children under 6 will be left without access to \$10/day care.



WAGES FOR STAFF MUCH TOO LOW

AND PAY EQUITY CAN HELP!



- ECEs receive lower wages than comparably educated workers outside the ELCC sector.
- The average FT Ontario wage as of January 1st 2025 is \$37.29.
- The ECE “wage floor” covered by the Ministry is \$24.86.
- Ontario ECE wages are among the lowest in the country.
- Experts agree that higher quality is commensurate with higher wages.



Even the *Federal Canada Early Learning and Child Care Act (Bill C-35)* supports **higher pay for child care staff:**

Section 7 1(d) says: support the provision of high-quality early learning and child care programs and services that foster the social, emotional, physical and cognitive development of young children, **including through the recruitment and retention of a qualified and well-supported early childhood education workforce.**



PAY EQUITY

A 5 WIN STRATEGY:

A Win for
Children and
Quality

A Win for all
the Child Care
Staff

A Win for
Operators Trying
to Produce
Quality Child
Care

A Win for
SSMs Trying
to Meet Their
Expansion
Targets

A Win for the
Economy: More
Revenues to
Cover the Costs



The *Pay Equity Act* Supports the 5 Wins for the Child Care Project

Pay Equity is a fundamental human right in Ontario.

The Act starts with recognition that systemic discrimination exists in the job market.

Women work in different jobs than men.

The *Pay Equity Act* provides remedies for undervalued and underpaid work in female-dominated jobs compared to male-dominated jobs.



On the *Pay Equity Act*, the Supreme Court of Canada says:

The “mischief” at which the Act is principally aimed is the existence of a wage gap that disadvantages women, as a result of gendered segregation in employment and the system undervaluation of the work typically performed by women.

Canada (Human Rights Commission) [CUPE] v. Canadian Airlines International Ltd. 2006 SCC 1



NO. 1 TASK: CLOSE THE WAGE GAP

Child Care is a **female-dominated sector**, 98% of all staff in child care are women

Child care workers are **Undervalued and Underpaid**.
This results in **Systemic Discrimination**.



The Supreme Court of Canada in 2018 found that “*leaving wage inequities in place makes women ‘the economy’s ordained shock absorbers’*”.

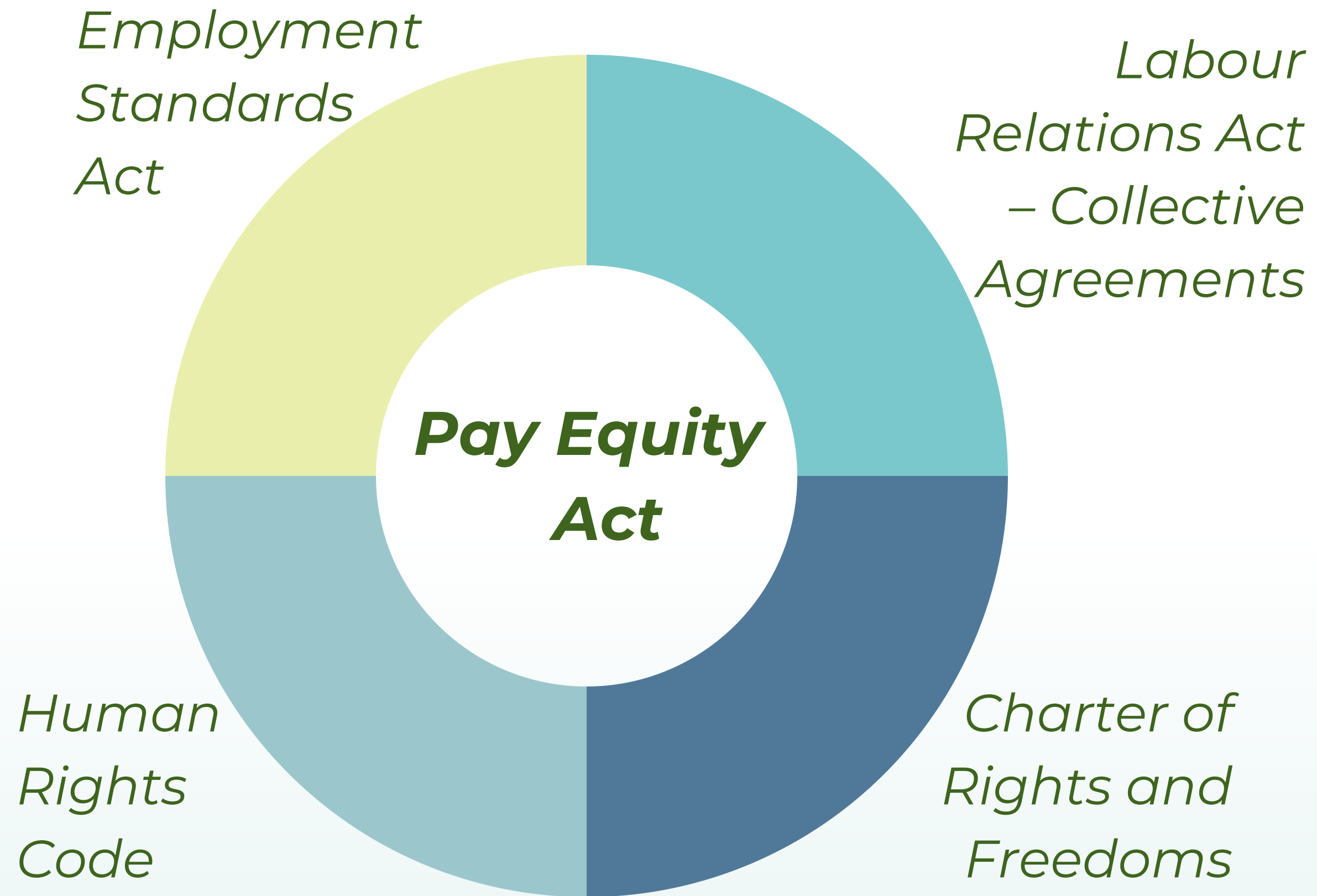
WHAT AN IMAGE!

Quebec (Attorney General) v. Alliance du personnel professionnel et technique de la santé et des services sociaux, 2018 SCC 17 (CanLII), [2018] 1 SCR 464 at para 8



LEGAL TOOLS TO CLOSE THE GENDER PAY GAP





Section 7 of the *Pay Equity Act* Requires:

**In Ontario, All Employers with
10 or More Employees are
Obligated to Establish and
Maintain a Pay Equity plan.**



The *Pay Equity Act* requires the use of a **comparison methods** to create a **Pay Equity Plan**

The **Proxy Pay Equity Method** is widely used in **child care** and similar sectors because there are too **few male job classes** for direct comparison.

It was introduced to support **publicly funded organizations** where traditional comparisons are not possible.



THE PROXY METHOD OF COMPARISON is stipulated in *the Act* under Regulation 396/93. It states:

- Where the female job classes in the establishment cannot be compared to male job classes
- Then, they can access the “deemed male comparator’s job rate” from the municipality.
- The municipal child care teacher/ECE is the “deemed male comparator”.

AND YES, THIS IS IN LEGISLATION AND CLARIFIED IN REGULATION



The Regulation states that the Proxy Establishment Selected shall be:

(a) a proxy establishment whose job classes are located in the same geographic division as the seeking employer's job classes that they are to be compared with; or

(b) if no selection can be made under clause (a), the proxy establishment whose employer's principal administrative offices are located the shortest distance from the principal administrative offices of the seeking employer.

O. Reg. 396/93, s. 2 (5).



The Ontario Court of Appeal Confirmed on March 9, 2021 that the *Pay Equity Act* allows Systemic Discrimination to be Identified Through the Proxy Method by Comparing a Female Job Class in the Seeking Organization to a Proxy Female Job class, which Serves as a “Deemed Male Comparator”.

Ontario Nurses' Association v. Participating Nursing Homes, 2021 ONCA 148



EXAMPLES OF WAGE GAPS



Ottawa

Non-Profit ECE

\$23.86

(Dec. 2024)

City Child Care Teacher

\$33.94

(Dec. 2024)

Wage Gap

\$9.08/hr



Wellington

Non-Profit Child Centre Cook

\$22 Start Rate
(Jan 1, 2025)

City Child Care Cook

\$27.96 Start Rate
(Jan 1, 2025)

Wage Gap

\$5.96/hr



Toronto

Non-Profit ECE

\$29.00 top of scale
(Jan. 2025)

City Child Care Teacher

\$36.67 top of scale
(Jan. 2025)

Wage Gap

\$7.67/hr



Why Don't We Already Have Pay Equity for Child Care Staff in Ontario?



- In 2003 there was a mediated settlement of a Charter Challenge with payments of \$414 million over three years to women in transfer payment agencies.
- By mid 2010's this funding was gradually ending as many centres reached settlements with their unions to finalize the payments and declare pay equity achieved.
- Since then there have not been renewed attempts by child care organizations to maintain pay equity plans as required by the Act.



- One of the Main Reasons Pay Equity was not Maintained was because the **Lack of Public Funding** Meant Everything would have to be Paid **by Increasing Parent Fees.**



Everything Changed On April 21 2021 when Chrystia Freeland Announced The New Canada-Wide Early Learning and Child Care System



**Hope was in the Air as
Something Amazing
Happened:**

**A PUBLICLY FUNDED
SYSTEM WAS BORN**



- **No more Dependence on Parent Fees** - in fact these were Frozen by the Provincial Government.
- **All the Costs of Running the Service were Funded by the Provincial Government;** Parent Fees were Deducted from the Acknowledged Costs.



But the Promise to Provide Improved Compensation for RECEs has been Underwhelming in Ontario.

- The Ontario Workforce Strategy proved inadequate: the revenue replacement model of funding meant that many child care centres struggled throughout 2022, 2023, and 2024 battling staff shortages and serious deficit
- Other provinces/territories made more improvements to introduce wage grids which helped to move everyone up the ladder and encourage recruitment and retention

However,

**THERE IS NO EVIDENCE THAT THESE WAGE
GRIDS WERE PAY EQUITY COMPLIANT**



Ontario introduced a boost to the
“**Minimum Child Care Wage**” -
the wage floor.

[\$23.86 in 2024 | \$24.86 in 2025]

This **did very little** to promote
recruitment and retention



A New Cost-based Operating Funding Formula was introduced in January 2025 based on what the Ministry says are the **Typical Costs of Providing Child Care.**



The 2023 Survey of Operators' Expenses **did not Include a Question about whether the Centre was Paying Gender-Equitable Wages** in Accordance with Regulation.

(O.REG 396-93)



The Most Significant Change that
Makes this **Pay-equity
Compliant Strategy Possible** is
the Fact that Early Learning and
Child Care is now a **Publicly-
Funded Service.**



**The Ministry of Education has
Overlooked its Funding
Obligations to Child Care Staff
that Enables Pay Equity
Compliance and Maintainance.**



ALL 5 COULD BE WON THROUGH PAY EQUITY!

A WIN for
Children and
Quality

A WIN for the
SSMs

A WIN for all
the Child Care
Staff

A WIN the
Economy with
increased tax
revenues

A WIN for all
operators

We're calling this initiative the **PAY EQUITY 5 WINS** for Child Care!



NEXT STEPS

Watch for Webinars to Collaboratively Discuss what are the Pay Equity and Human Rights Obligations for the Sector and How this Relates to the New Funding Formula.



LAND ACKNOWLEDGEMENT

*B2C2 recognizes that its work, and the work of its community partners takes place on traditional Indigenous territories across the province. We acknowledge that there are **46 treaties and other agreements**, including unceded land, that cover the territory now called Ontario. We are thankful to be able to work and live in these territories. We are thankful to the First Nations, Metis and Inuit people who have cared for these territories since time immemorial and who continue to contribute to the strength of Ontario and to all communities across the province. B2C2 is honoured to collaborate with Indigenous child care providers, families and communities throughout the various territories. B2C2 also respects the calls for action of the Truth and Reconciliation Commission and their significance to early childhood education and policy. We share respect for the rights of, and Canada's obligations to, Indigenous peoples*

