



**Atlantic Evaluation and  
Research Consultants**

**Follow-Up Evaluation of the  
Early Learning and Child Care Supplement**

**Report Submitted to the  
Department of Child, Youth and Family Services  
Newfoundland and Labrador**

**Final Report  
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## EXECUTIVE SUMMARY

### **Purpose**

The purpose of the study was to conduct an evaluation of a program designed to provide supplementary income support to early childhood educators, based on their educational qualifications. The intent of the program under review is to help in the upgrading of qualifications and the recruitment and retention of early childhood educators working in regulated child care settings in the province. This evaluation is a follow-up to a baseline evaluation conducted in 2002.

### **Scope of the System**

A total of 172 licensed child care centres and 70 regulated family child care homes are found in the province. The licensed centres have a total of about 5,600 spaces and the family child care homes close to 400 spaces. For centres, this represents an increase of about 30% since the 2002 study. The number of family child care homes has grown much more rapidly since providers of these services became eligible for the supplement in 2006. Just over 60% of centres, and about 70% of all spaces, are commercial for-profit enterprises. Most of the growth since 2002 seems to have occurred in the private sector, particularly through expansion of the number of locations on the part of a small number of multiple licence holders. Just over 50% of licensees operate at a single location. The remainder hold two or more licenses.

### **Characteristics of Staff**

There has been considerable growth in Child Care Services Certification numbers in recent years, with the total number of registrants now being more than double that in 2002 (1,409 versus 629). Most of the growth since 2004 is accounted for by new Entry Level registrants. The annual number of new Level II registrants has actually declined slightly over that period though the absolute number at that level has increased. There is substantial attrition from the system, with more than 500 registrations since the system started in 2000 having expired (registration expires after three year unless renewed).

Almost all ECE staff are female. Median age is about 35 years, up from just over 30 in 2002, though the range remains quite wide. There has been a decline from 19% to 11% in the proportion of staff in the less than 25 year old range. Median experience in the field is about 4 years, also with a wide range. The experience distribution has moved slightly upward since 2002.

Just over 60% of centre staff are certified at Level I or above. As a proportion of the total, this has decreased slightly since 2002. The percentage of staff with Entry Level certification has increased substantially since 2002 while the percentage of staff with no certification has declined by a comparable amount. This suggests that the major improvement in qualifications in recent years has consisted of people moving from no certification to entry level

### **Pay and Working Conditions**

Most staff (more than 75%) work full-time (35 hours per week or more). This has changed little since 2002. Median hourly starting pay for ECE staff ranges from \$8.50 for those with no certification to \$10.15 for those certified at Level II. Median top hourly rates are in the \$8.50 to \$12.00 range depending on certification level. On average, these pay rates have increased 25-30% since 2002. However this is a period during which the minimum wage has increased by close to 50%.

84% of centres and 61% of individuals reported receiving periodic salary increases independently of the supplement. About 70% of centres and 40% of staff reported that they have sick leave benefits. Other types of benefits were reported by about 40% of centres and staff. This picture seems not to have changed much since 2002.

Just over 80% of all staff who are currently working intend to continue working in the ECE field. About one-third of those no longer working intend to return to the field. These figures are comparable to those found in 2002.

### **Staff Recruitment and Turnover**

About three-fourths of centres reported that they are currently fully staffed. This is a decline from 90% in 2002. Forty-four percent of centres indicated that they have very little staff turnover. This is a decrease from 53% in 2002. 190 staff were reported as having left their positions in 2008, compared to about 156 in 2002. This represents a slight decline in the turnover rate, from 28% to 24%. 288 new positions were advertised in 2008 compared to 168 in 2002. Seventy-six percent of centres reported that they have difficulty recruiting staff and 80% difficulty recruiting qualified staff for vacant positions. This is a slight reduction from 86% in 2002.

Low salaries was reported most often as the main reason for staff leaving, with 43% of respondents giving this reason for uncertified staff and 33% for certified staff.

### **The Supplement and its Impact**

About two-thirds of entry level staff indicated that they are aware of the Entry Level Supplement. However, only 15% reported having received this supplement. This

indicates that relatively few entry level staff are engaged in upgrading, as is required to receive this supplement. Of those receiving the Entry Level Supplement 32% indicated that it had encouraged them to upgrade and 28% reported that it would help them upgrade in the future. More generally, 28% indicated that it would encourage others to upgrade.

About 32% of staff indicated that the ELCC supplement had encouraged them to upgrade in the past and 47% that it would encourage them to upgrade in the future. The latter figure is a reduction from 60% in the 2002 survey. Just over 50% of staff indicated that the supplement has encouraged them to continue to work in regulated child care in the last and 66% indicated that it would do so in the future. Again, the future expectation is reduced from 78% in response to the 2002 survey.

About 20% of Entry Level respondents and 25% of those eligible for the ELCC supplement indicated that they had experienced barriers related to receiving these supports. More generally, 58% of respondents only felt that the supplement would encourage some or many centre-based staff to upgrade, while 65% felt that it would encourage family child care providers to upgrade. Comparisons to the 2002 survey are inexact in this case but respondents in 2008 were somewhat more pessimistic about the impact on upgrading than those in 2002.

In 2002, there was a tendency for respondents to feel that the eligibility criteria for the supplement should be liberalized. This remained true in 2008. The most common response was that Entry Level staff should be eligible.

### **ECE Program Enrolments and Graduates**

The trend in enrolment and graduation in ECE programs at the College of the North Atlantic is one of slight decline in recent years, following some growth in the early part of this decade. In particular, distance program enrolments have declined after an initial relatively high intake between 2001 and 2003. Because distance students take several years to complete, further reductions in graduation numbers from that program are likely in the next few years.

### **Program Administration**

About 75% are satisfied with the frequency of payment. Close to two-thirds are satisfied with the process of administration. To the extent that there is dissatisfaction, there was a consistent view that the application process is more complex than it needs to be.

### **Conclusion on the Impact of the Supplement**

The only basis on which to make a judgment on the impact of the supplement in terms of its stated goals is to examine changes in these elements from the time of the

previous baseline study in 2002 and the current study. It is not possible to make true causal inferences from such changes over time, because the changes observed may result from factors other than the one of direct interest.

The main positive indicator of impact is the growth in the system since 2002. It is not clear if this is driven by market factors or by other factors, including the existence of the supplement. The fact that a majority of respondents believe the supplement is having a positive impact on upgrading and on encouraging staff to remain in the field may also be taken as a positive indicator.

Most of the indicators of impact have declined since 2002. The number of new Level II certificates being issued each year has declined slightly, while there has been considerable increase in Entry Level certifications despite the fact that this group is not eligible for the supplement. There is also a substantial rate of non-renewal of certificates, with more than 500 of a total of about 1,900 certified since 2000 no longer active.

Pay levels independent of the supplement have increased at a rate less than the rate of increase in the minimum wage since 2002. More respondents cited salary levels as the reason for staff leaving in 2008 than in 2002. Most consider salary levels to be inadequate, even with the supplement.

Although the actual turnover rate reported in 2008 was actually slightly lower than in 2002, more respondents reported high turnover and fewer centres reported being fully staffed than in 2002. Respondents also reported greater difficulty in recruiting in 2008 compared to 2002 and the number of applicants per advertised position has decreased.

Finally, admission and graduation levels to ECE training programs have declined slightly in recent years. The distance program appears not to be attracting large numbers.

Taking all of these results into consideration, the general conclusion must be that the supplement is not having sufficient impact to offset the various disincentives to enter the field, remain or upgrade. Stated differently, the supplement is not achieving its main policy purposes particularly well.

Nevertheless, the supplement may be having other impacts that might be considered desirable, particularly since it has a considerable impact on income levels for personnel in this field. The supplement has become an established part of the income of child care staff. It would be difficult to withdraw the supplement at this point unless some other means were to be devised to maintain at least current income levels for child care staff.

### **Administrative Issues**

Although some concerns were expressed about the details of program administration, no evidence emerged which would point to any need to change the system from one of direct payment to individuals to payments to centres. Although the latter is the case in other jurisdictions, in these cases not all of the funds go directly to staff.

### **Structural Issues**

There are obviously only two ways to increase the number of staff with higher qualification levels. One is to attract larger numbers of candidates into the pre-service ECE training programs and the second is to make it attractive for those now in the field to upgrade. Neither of these is happening at the moment. Salary levels and working conditions in this field remain unattractive despite the supplement. In addition, the pool of high school graduates is diminishing, and young women, who make up the main candidate pool are being attracted to university studies in ever greater numbers. The CNA distance education program has been designed specifically to encourage upgrading of existing staff. However, enrolment in this program is relatively low and it takes several years to graduate from the program because of its part-time nature.

The results of the study raise the question of whether the difficulties being encountered are related to the structure of the regulated child care sector. Under the current structure, it is difficult to see how significant changes in pay and benefits can be brought about without substantially increasing the level of government intervention in what is mainly a private sector field. Given the narrow mandate of this study, it is not possible to make recommendations around the structure of the system. Nevertheless, it will be difficult to improve significantly the circumstances of those working in the child care sector unless significant structural change is contemplated. It is hoped that the work now commencing to develop a ten year plan for child care in the province will address this possibility.

### **Recommendations**

- 1. That the ELCC supplement and associated provincial incentives for regulated child care staff be continued but that no further changes in structure or amounts be introduced in the absence of a larger policy review designed to address the nature of public support for the child care sector.**
- 2. That a database be developed that would allow core information to be collected once and incremental information allowing computation of the supplement amount to be added at each application occasion.**

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The study also benefitted substantially from the feedback on methodology and on the draft report provided by members the Advisory Committee, whose names are given below. We are especially pleased to acknowledge the contribution of Dolores Dooley in overseeing the project and sharing her experience and insight into the issues under review.

### Advisory Committee Members

|                  |   |
|------------------|---|
| Mary Walsh       | Association of Early Childhood Educators of NL                    |
| Roslyn Bennett   | Provincial Association of Child Care Administrators<br>Licentiate |
| Mary Goss Prowse | Registrar of Child Care Certification                             |
| Melanie Head,    | Family and Child Care Connections                                 |
| Rosalind Smyth   | Department of Health and Community Services                       |
| Helen Sinclair   | Department of Health and Community Services                       |
| Dolores Dooley   | Department of Health and Community Services                       |

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## I INTRODUCTION

### **Purpose**

This report was prepared at the request of the Department of Health and Community Services, Government of Newfoundland and Labrador. The purpose of the study was to conduct an evaluation of a program designed to provide supplementary income support to early childhood educators, based on their educational qualifications. The intent of the program under review is to help in the upgrading of qualifications and the recruitment and retention of early childhood educators working in regulated child care settings in the province. This evaluation is a follow-up to a baseline evaluation conducted in 2002 (with a report submitted in early 2003).<sup>1</sup>

### **Background**

The child care services of interest in this study are those provided by licensed child care centres and regulated family child care homes governed by the Child Care Services Act (SNL, 1998 Chapter C - 11.1) and its associated regulations. Most centres are commercial for-profit enterprises. Other centres are not-for-profit and are licensed to community-based boards. Family child care homes are licensed to individuals or approved by a licensed family child care agency. Under the Act, personnel working in the regulated child care field are required to hold certification according to a classification system outlined in the Regulations. Staff ratios and required certification levels for particular staff categories are also prescribed by regulation. Depending on the position held, all new ratio ECE staff in licensed centres are required to be certified at Entry Level or higher.

The Early Learning and Child Care (ELCC) Supplement was introduced in 2001 as part of the Early Childhood Development Initiative and was implemented to provide monetary support to staff working in child care centres who were

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<sup>1</sup> Data for the baseline evaluation was collected in the fall of 2002 and the report was submitted in early 2003. Throughout this report that study will be referred to as the 2002 study, except for explicit references to the report, which will be referenced as 2003.



required to upgrade under the new legislation. Its purpose was to assist in the recruitment and retention of early childhood educators to help stabilize the field and subsequently to provide an incentive for upgrading and retention.

Since the program was introduced in 2001, a number of changes have occurred. The Early Learning and Child Care Plan announced in 2006 provided an increase in the amount of the supplement and opened it up to family child care providers (those who care for a small number of children in their own homes). Further increases came into effect as a result of enhancements to the Early Learning and Child Care Plan in 2007.

Initial amounts of the supplement (2001)

Level I certification - \$1040 in year 1 to \$2080 in year 3

Level II to IV certification - \$2080 in year 1 to \$4160 in year 3

Current amounts of the supplement (2008)

Level I certification: Licensees/Family Child Care Providers \$2,330

Other applicants \$3,330

Level II – IV certification: Licensees/Family Child Care Providers \$4,660

Other applicants \$6,660

In order for licensees to be eligible for the supplement, they must have Child Care Services Certification and be working directly with children.

In 2006, an Entry Level Supplement was introduced. This is for individuals with Entry Level certification and is designed to encourage upgrading of this group. They can receive up to \$500.00 per year for successfully completing courses in working toward a Level 1 certification. Also in 2006, the supplement was opened to regulated family child care providers. In addition to examining the five-year impact of the ELCC supplement for certified personnel, baseline data will have to be gathered on these newer components.

An evaluation conducted in 2002 examined the administration of the supplement, assessed the impacts of the supplement on the recipients up to that time, collected baseline data that could be used in future evaluations and developed a framework for future evaluations. This evaluation is intended to build on that work.

## **Scope of the Work**

The objective of this project is to complete a follow-up evaluation of the Early Learning and Child Care Supplement, make recommendations based on findings, and update a framework for ongoing evaluation.

The major tasks completed during the project were to:

1. Conduct a review and analysis of current implementation procedures
2. Assess the impacts of the supplement on recipients to date
3. Collect data on those variables for which baseline data is available including certification levels, trained staff, upgrading, staff turnover and staff satisfaction
4. Survey staff, owner/operators and students in ECE training programs
5. Interview key informants who hold policy or administrative roles in early childhood learning and child care.
6. Examine information from other jurisdictions that have similar enhancement initiatives.
7. Enhance the framework developed in the earlier study, to include the Family Child Care and Entry Level Supplement for future evaluations

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## II METHODOLOGY

### Evaluation Framework

A detailed evaluation framework for centre-based child care was developed as part of the previous evaluation. The main components of this framework are outlined here.

Program evaluation must be concerned with both the measurement of change over time and the ability to attribute any change to the program under review rather than to other extraneous events that may occur over the time period of interest. In this study, supply and demand for ECE staff over the past five years may have been influenced by the supplement but also by many other factors.

The only clear way to disentangle program effects from other influences is through what is called a true experimental design or randomized clinical trial. Unfortunately it is rarely possible to implement such a design in social policy areas. The impact of the program must therefore be measured in terms of the change from a baseline period to a program implementation period, or over time during the implementation. Although no direct causal inference can be made from such comparisons, the existence of multiple indicators and the ability to detect trends on some indicators can provide reasonably strong evidence of program impact.

Evaluation frameworks are typically designed to address the following issues:

- Description of program context, evolution and goals
- Description and assessment of processes (administration, implementation)
- Perceived impacts (perceived change, satisfaction)
- Real impacts (objective measures of change)
- Cost-effectiveness

In this case, the broad picture of the need for higher salaries, strengthening qualifications and challenges with staff recruitment and retention in early

childhood education that led to government financial intervention has been well documented. As indicated above, impact was assessed relative to baseline data on key indicators given in the previous evaluation report.

In the 200s study, baseline trends for the five years prior to the previous evaluation were gathered on the following key indicators:

1. Number of vacant positions
2. Number of positions advertised
3. Number of qualified applicants per position
4. Enrolments in ECE training programs
5. Number graduating from ECE training programs

These indicators were updated and any discontinuities in the trend lines for these indicators examined for evidence of change. Trend analysis was used to establish whether the pattern of change over the implementation period is different from than before the program was initiated.

In addition to the time trend data, one-time baseline indicators were gathered in 2002 on:

1. Number of uncertified staff
2. Certification levels of staff
3. Pay increases before and after supplement was introduced
4. Benefits before and after supplement was introduced
5. Hourly pay rates by certification level
6. Future post-secondary plans of staff

Single year baseline measures were also gathered on the following perception indicators:

1. Staff turnover rate
2. Difficulty in filling positions
3. Adequacy of pay, including the supplement
4. Number of workers the supplement will encourage to upgrade
5. Impact of the supplement on turnover rate
6. Impact of the supplement on upgrading patterns
7. Valuing of ECE work by parents, public, employees, employers
8. Satisfaction with pay rates, working conditions and application process for the supplement

Building from this starting point, the goal was to track for the past five years the

number of uncertified workers (those never certified or whose certification had lapsed), the number moving through the certification levels, progress through the distance education program, pay and benefit levels and upgrading plans. In addition, the two newer components of the program, the entry level supplement in the last quarter of 2008 and the addition of family child care workers, required the collection of new baseline data.

Basic data on enrolments and graduation rates in ECE programs, as well as on backgrounds of those admitted, is available from the colleges. One missing element in the last evaluation was the total size of the applicant pool, including those rejected. Data in this area would be a good indicator of the overall attractiveness of ECE as an occupational area, though it would not be a direct indicator of the impact of the supplement.

## **Document Review**

The starting point for this evaluation was the report of the 2003 baseline evaluation. That report outlined the basic framework for licensed child care in the province, including the Child Care Services Act and Regulations. Documentation on the Early Childhood Development Initiative, and the Strategic Social Plan, as well as a broad range of documentation on early childhood development, was also reviewed to establish the context for the program. Although some of this documentation has been superseded by changes in the policy framework<sup>2</sup> and practices since the last review, the underlying conditions which led to the need for continuation and enhancement of the supplement are not much different today compared to 2003.

Specific documentation on the program includes the eligibility criteria, administrative procedures, lists of licensed child care centres and recipient lists. The latter is embedded in a broader data base of ECE certificate holders. This data base provided some information on the total number certified since the system began. However, the data base did not include information on current work status of individuals. This information was obtained by inference from current status as recipients of the supplement. This documentation was sufficiently complete to allow contacts to be made with most relevant informants.

The 2003 report also included a tabulation of early learning and child care

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<sup>2</sup> An example of a major shift in the policy environment is given by the Federal Government's decision to implement a child care grant of \$1,200 per child per year paid directly to parents.

support programs in other provinces. This was updated for this report and changes noted. In addition, a brief overview of the status of early childhood learning and care in Canada has been presented.

### **Key Informant Interviews**

Key informants are individuals who possess special knowledge or who have a direct stake in the program under review. For this study, a list of 22 key informants was compiled. These consisted of 12 officials of HCS and non-government agencies, five HCS regional directors and five contacts in the training institutions. Most of the interviews were conducted on a face-to-face basis. Visits were made to the Central, Western and Labrador regions to conduct face to face interviews. A few interviews were conducted by telephone because of schedule or travel limitations.

The key informant interview protocol was a modified version of that used in the 2003 study. Modifications were made in consultation with the Advisory Committee but most questions were retained to allow comparison. The interview format was open-ended, with respondents given opportunities to elaborate their responses. These interviews were conducted in conversational mode, with the questions designed as guides to the kind of information needed from informants. In practice, many informants addressed the appropriate issues without much probing. Some questions were not applicable to certain respondents or had to be tailored to the particular circumstances of the respondent. On average the interviews took about one hour to complete.

### **Survey Populations**

Three main surveys were carried out, targeted at early childhood education staff including those in family child care homes, employers (child care centre licensees/operators), and students in ECE training programs. The staff survey included three distinct sub-populations, those in receipt of the supplement, entry level staff and staff no longer working in the child care field. The first group was identified from a list of those receiving the supplement in the last quarter of 2008. The remaining two groups were identified from the ECE registry, with those no longer working not being explicitly identifiable until contacted.

Although some uncertified staff are still to be found in regulated centres, these were not interviewed because lists were not readily available from public

records and it was judged that attempting to obtain such lists from employers would raise privacy concerns.

### **Survey Data Collection**

Telephone survey methods were used for the child care staff and employer surveys because much higher response rates can be achieved by telephone methods than in any other way. For the student surveys, it was feasible for project staff to administer written questionnaires directly by visiting the educational institutions.

### **Questionnaire Development**

As for the interview protocol, the survey questionnaires were modified versions of those used in the 2003 evaluation. While consultation with the Advisory Committee yielded some significant changes, the ability to compare the two surveys to reveal trends on important issues was retained.

The questionnaires were designed to address the following main areas:

1. Employment history
2. Future employment intentions
3. Upgrading plans
4. Wage levels
5. Impact of supplement on earnings
6. Perceived impact of the supplement on future employment and upgrading plans
7. Satisfaction with the supplement
8. Issues of administration and implementation (e.g. timeliness, complexity of application, eligibility rules)
9. Ways to improve the program
10. Basic demographic information on respondent (e.g. age, gender, family status)

Because of its sensitive nature, wage and demographic information is always gathered at the end of the questionnaire.

The licensee/operator questionnaire covered similar issues in a form modified to reflect an employer perspective. Issues of perceived impact on recruitment and



retention generally were expected to have a more prominent place in this questionnaire. An important issue identified in the consultations was whether the supplement might be used to offset what might otherwise be pressure to increase pay levels.

The student questionnaire was designed to emphasize motives for taking the program, expectations for employment and income levels, awareness of the supplement and its impact on the decision to enter the program, remain in the field after graduation or engage in future upgrading.

The first line of validation of the questionnaires was the Advisory Committee itself. Members were requested to review the draft questionnaires carefully and provide as much feedback as possible. Several meetings of the Committee were required to reach a final draft of the instruments. Following this, the first ten interviews in each category were used as a field trial of the instruments. Continuous modifications of the instruments were made as these early interviews progressed. However, these were of a minor nature (usually item formatting and branching) so the initial responses remained usable.

On average, the staff interview took less than 10 minutes and the licensee/operator interview about 25 minutes to complete. Although the latter time was quite long for a telephone interview, this population obviously had a direct interest in the study and most individuals were prepared to give this much time. Most of the licensee/operator interviews were conducted during work hours, with appointments being made at the convenience of the respondent. In a few cases, respondents preferred to do the interviews after work hours, and gave home telephone numbers to allow this.

### **Response Rates and Sampling Error**

In this study, the goal of all surveys was to achieve a representative sample of the relevant populations, with sampling error of not more than  $\pm 5\%$  at the .95 confidence level. While the contact procedures were designed to ensure that the maximum number of respondents could be reached, some loss is to be expected. Any such loss results in sampling errors that cannot be directly estimated because it is not known if the losses are simply random or if there is some relationship between non-response and characteristics of respondents that might be important for the study. The latter leads to what is known as response bias. In some studies, it is possible to obtain some information on possible response bias, by comparing characteristics of respondents with

known features of the whole population. This was not possible here because little prior information was available.

Under the assumption that those responding represented something close to a random sample from the populations, sampling error can be estimated by standard techniques. Such error is a function of the sample size and, in relatively small populations, also of the ratio of sample to population size.

Table 2.1 gives the relevant data on populations, samples and response rates. The staff interview numbers here include licensees/operators because these were included in the analysis for most of the questions asked of recipients. Sampling errors are also given, based on random sampling assumptions. However, it must be cautioned that response bias may also lead to systematic underestimating or overestimating the population values of the various statistics reported.

In general, response rates here were as high as any of those typically obtained in similar studies. The major issue in non-response was the inability to reach the targeted individual with the telephone contact information available. Typically, this was a consequence of outdated numbers. Nevertheless, the telephone number information available here was as complete and accurate as usually seen in similar studies. The refusal rate was slightly larger here than in similar studies. However, this rate was not sufficient to be a major concern.

**Table 2.1  
Populations, Response Rates and Sampling Errors**

| <b>Survey</b>  | <b>Total Population</b>                  | <b>Achieved sample</b> | <b>% Sampling Error<sup>1</sup></b> | <b>Reasons for non-response</b>                          |
|--|--|------------------------|-------------------------------------|--|
| <b>ECE Staff<sup>2</sup></b>   |  |                        |                                     |  |
| Recipients   | 475                                      | 287                    | 3.64                                | No response after seven calls 113                        |
| Entry  | 563                                      | 198                    | 5.61                                | Wrong number 256   |
| Others/not working   | 411                                      | 222                    | 4.46                                | Refused 40   |
| Total  | 1449                                     | 707                    | 2.63                                | Never worked in Province 44<br>Other 20                  |
| <b>Owners/operators</b>  | 105 individuals representing 172 centres | 92<br>(88% of total)   | 3.60                                | No response after seven calls 13                         |
| <b>ECE Students (full-time)</b>  | 75<br>(approx)                           | 61                     | 2.34                                | Students not in attendance on the day of administration. |
| <sup>1</sup> Assumes that those responding are randomly representative of the total population.<br><sup>2</sup> Includes 67 owner/licensee representatives who reported that they held some level of certification. These were considered part of the staff sample for most questions on the staff survey and as part of the owner/licensee survey for questions specific to that group. |  |                        |                                     |  |

### **Privacy, Confidentiality and Data Security**

Access to personal information, including names and contact information for early childhood educators and employers was required to conduct the proposed surveys. The Access to Information and Protection of Privacy Act places significant restrictions on disclosure of such information. However, Section 41 of the Act permits disclosure for research and statistical purposes under defined conditions, which must be approved by the head of the relevant public body. This section may be considered as the authority under which such information was released for this study.

Assurances of confidentiality were given to all survey respondents and other informants.<sup>3</sup> All data base records, survey returns and completed interview forms were treated as confidential and identifying information were not used or copied except for sampling or file matching purposes. Files were encrypted for added security.

It is the policy of the consultants to remove identifying information from survey data files before these were turned over to the client agency as retaining this information would violate the confidentiality assurances given to respondents. Secondary analysis of the data files is possible but these files cannot be linked to other information that may be held by public bodies.

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<sup>3</sup> Occasionally, confidentiality assurances cannot be given for legal or file matching reasons. If this is the case, respondents must be informed in advance of the possible uses of the information. We do not anticipate that this will apply to this study.

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### III CONTEXT AND DOCUMENT REVIEW

#### Provincial Context

Child care services in the province are governed by the Child Care Services Act (SNL 1998 Chapter C - 11 - 1). This act applies to all services provided by persons other than a child's parents, relatives or guardians or by a person employed directly to provide care in the child's home. The Act provides for licensing of child care centres and family child care homes and for regulation of their conditions of operation, including health, safety, space and staff qualifications. The Act allows some exemptions, including short-term programs, training, artistic or sports activities. Among the specific conditions that must be met are staff/child ratios for children of various ages and educational qualifications for operators and staff. Both of these have important implications for staff recruitment and retention.

Family child care services, involving fewer than four children (or three if under 24 months), which are provided in a home setting are also exempted from the licensing requirements. However, those providing such services may apply for a licence. There is a strong incentive to such operators to obtain a licence as this makes providers eligible for the supplement as well as other benefits such as start-up and equipment grants as well as agency services where applicable.

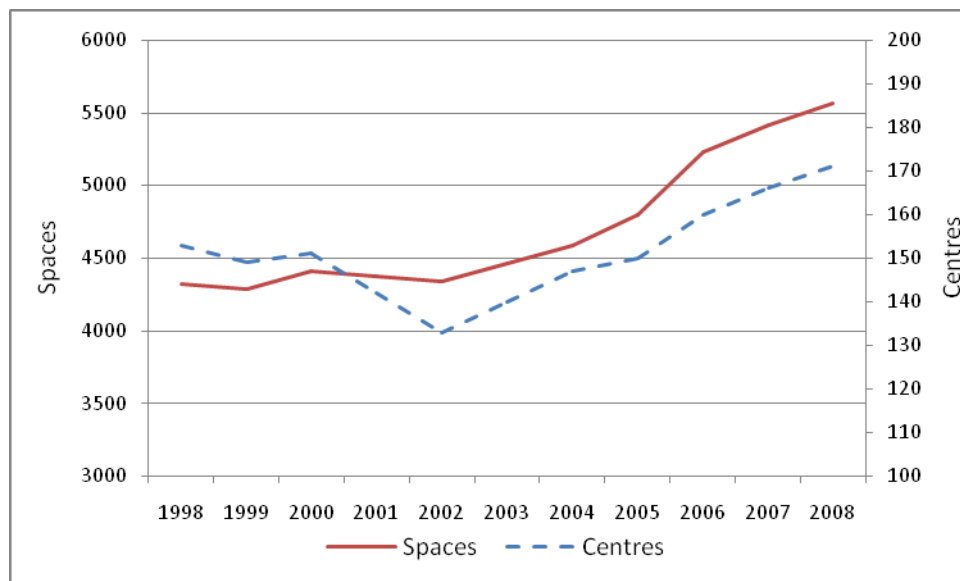
The core personnel in child care centres are commonly known as *early childhood educators*. Individuals in these positions are required to hold certificates on a scale based on educational credentials. Certification is also specific to age groups with slightly different requirements existing for infants, preschool and school-age children. Certificates from Entry Level to Level IV are awarded, based approximately on years of training in specific programs recognized by the certifying agency. For example, Level II certification is issued to those completing a two-year program in early childhood education in a provincially recognized institution. Entry Level certification is based on completion of a short course or equivalent in early childhood education. The latter is designed especially for workers who have entered the field without formal credentials or for those who are not lead staff or operator.

The regulations require that centre operators hold at least Level II certification and lead staff at least Level I certification. Other staff are required to have at least entry level certification or Level I if there are infants in the home room. These qualifications requirements may be waived if the licensee can demonstrate that qualified staff are not available.

Figure 3.1 provides basic demographic information on the number of child care centres and spaces in the province. This shows that considerable growth has occurred in recent years in both the number of centres and the number of spaces available. Much of this growth is a result of expansion of some of the larger multiple-licence holders. In addition to this, as Figure 3.2 shows, there has been substantial growth in the number of family child care providers who have become regulated since 2003. It seems likely that the large increase occurring in 2006 is a consequence of the extension of supplement eligibility to these providers that year. The existence of considerable month to month growth during 2006 is further evidence of this.

**Figure 3.1 Child Care Centres and Spaces, 1998-2008**

(Source: Department of Health and Community Services)



**Figure 3.2 Family Child Care Homes, 2003-2008**

(Source: Department of Health and Community Services)

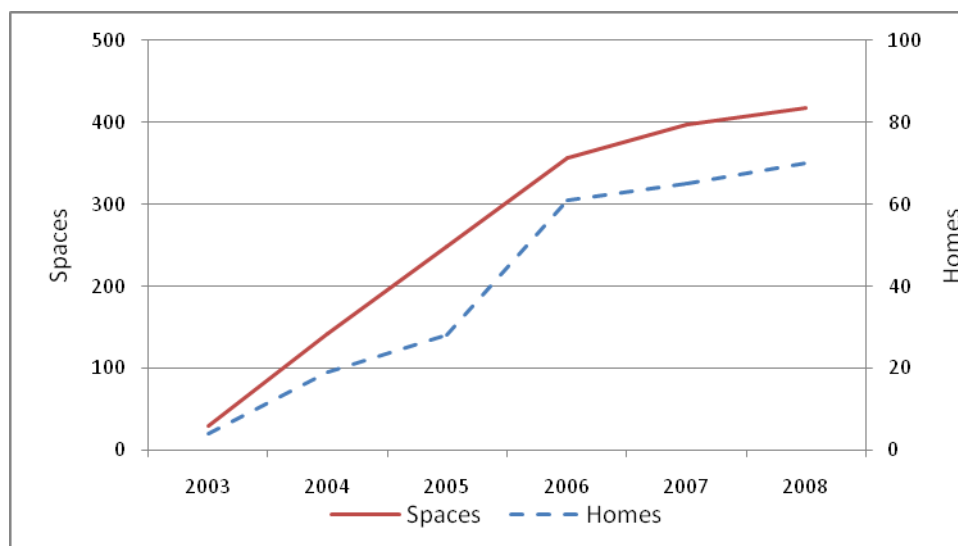


Table 3.1 gives population data on the number of centres and spaces in 2008, and comparisons between 2002 and 2008. These data may be summarized as follows:

- Close to two-thirds of centres, accounting for 70% of the total spaces in the provinces, are commercial, for-profit operations. This represents a slight increase since 2002.
- There has been little change since 2002 in the number of operators holding single licences. Most of the growth has been due to expansion of the number of holders of multiple licences. In fact, the total number of licensees (105) has not changed since 2002, although there has been some turnover of individuals or agencies holding the licences
- Close to 60% of the centres and 68% of the spaces are in the St. John's metropolitan area. This is a slight decrease since 2002, with the change in centre distribution being greater than the change in the distribution of spaces.
- More than 80% of the centres and spaces are located in urban areas, including St. John's. (This breakdown was not done in 2002). The corresponding population is 47% urban, indicating that urban areas have close to double the number of spaces compared to rural areas on a per-



capita

basis.

**Table 3.1**  
**Child Care Centres: Provincial Characteristics**

(Source: Department of Health and Community Services)

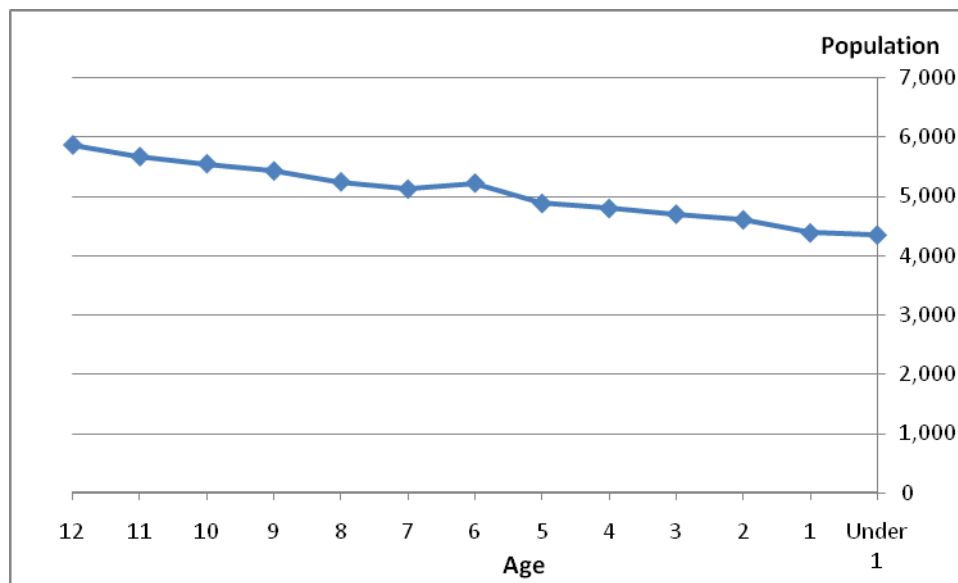
| <b>Characteristic</b>  | <b>Category</b>                     | <b>2002</b> | <b>2008</b> |
|--|-------------------------------------|-------------|-------------|
| Total Centres (Licensees)  | Commercial                          |             |             |
|  | Centres                             | 79 (59%)    | 109(63%)    |
|  | Spaces                              | 2828(65%)   | 3947(70%)   |
|  | Not for profit                      |             |             |
|  | Centers                             | 54(41%)     | 63(37%)     |
|  | Spaces                              | 1510(35%)   | 1669(30%)   |
| Number of locations per owner/sponsor (Each location holds a separate licence) | 1                                   | 72(54%)     | 80(46%)     |
|  | 2                                   | 18          | 30          |
|  | 3 (or more 2002)                    | 9           | 6           |
|  | 4-5                                 | 34          | 18          |
|  | 6-8                                 |             | 22          |
|  | More than 8                         |             | 16          |
| Area of Province   | St. John's Census Metropolitan Area |             |             |
|  | Centres                             | 88(66%)     | 101(59%)    |
|  | Spaces                              | 3081 (71%)  | 3820(68%)   |
|  | Other Areas                         |             |             |
|  | Centres                             | 45(34%)     | 71(41%)     |
|  | Spaces                              | 1374 (29%)  | 1796(32%)   |
|  | Urban                               |             |             |
|  | Centres                             |             | 139(81%)    |
|  | Spaces                              |             | 4904(87%)   |
|  | Rural                               |             |             |
| Centres  |                                     | 33(19%)     |             |
| Spaces   |                                     | 704(13%)    |             |

The primary source of support for child care services is parent fees. Some government support has been available for equipment purchases. In addition, children from some families are eligible for provincial subsidies to attend child care centres or regulated family child care homes. Such subsidies are paid directly to centres or homes in support of the eligible children. The ELCC and Entry Level supplements that are the focus of this study also represents a major initiative in public support of child care services, and is distinct from other forms of support in that it is paid directly to centre-based staff and to family child care providers and not to centres.

It is difficult to obtain a clear estimate of the proportion of all children being served by licensed child care centres and family child care homes because there is no clear breakdown of the number of children of each age attending or needing to attend. While the relevant age group may be anywhere in the 0-12 range, the proportion of spaces appears to vary substantially by age. The age breakdowns of licensees suggests that relatively few are licenced for infants (2 years and under), while most are licenced for either children from 2 to 6 years or for school age children beyond kindergarten (6-12 years).

It is useful to place these figures in the context of the number of children in the relevant age groups in the province. Figure 3.3 shows the provincial population by single age groups, as of the 2006 census. The pattern is clearly one of declining numbers in a particular age group each year, a trend which has continued for many years. Combining this with the increase in available spaces shows that the total capacity of the system has increased substantially in recent years. More specifically, taking the overall population age 0-12 as the target group, capacity can be said to have increased from about 5% to 8.5% from 2002 to 2008 (based on 2001 and 2006 census data).

**Figure 3.3 Population by Age 0-12, Newfoundland and Labrador, 2006**



### The IAS Report

Brief mention should be made of a report completed in 2007 by the Industrial Adjustment Services Committee on Child Care Workforce Recruitment and Retention (commonly known as the IAS Report). That report presented an overview of the state of early childhood education in the province, pointing to the low value and low visibility of early childhood education as a career, shortage of qualified staff, high turnover and high vacancy rates for ECE positions, low pay and poor working conditions. As we shall see, most of these points are reinforced by the data gathered in this study.

The IAS Committee also studied population trends and labour market conditions. In particular, the report documented the trend towards declining population reported above and projected that this would continue for the foreseeable future. Offsetting this trend, the provincial labour market has been improving, which might be expected to result in increased demand for child care services.

The Committee concluded that improvement to the child care situation in the province will require a multifaceted approach that will address a series of interdependent variables including:

- the quality of care provided to children,
- the working conditions within child care settings,
- the status attached to work in this sector,
- ECE education and training (including professional development),
- wages and benefits,
- support systems available to this sector's workforce.

The Committee made a total of 22 recommendations, many were directed towards a proposed community-based working group, which would follow up on the work of the Committee and engage in further research.

In general, the IAS Report provides a comprehensive backdrop to the current study by giving a broad overview of the state of the child care field in the province. However, while noting that government has been supplementing the income of child care workers for some years, that study did not address directly the impact of the supplement.

### **The ELCC Supplement: Background and Current Status**

The work of IAS Committee reinforces the perception that pay levels for early childhood educators are much lower than for workers in other comparable occupations. Wages in this province are especially low even for this field. Figures from a recent review of child care in Canada (Friendly, Beach, Ferns & Turiano, 2007) gave average hourly pay of \$7.75 for Level II ECEs in Newfoundland and Labrador for 2003. This remains the lowest in Canada. This contrasts with Quebec, the province with the highest levels of pay, where a range of \$14.14 to \$18.73 was reported (the Quebec figures were for 2006 and are thus not directly comparable).

Detailed background information on the events leading to the introduction of the current supplement was given in the 2003 evaluation report and will not be repeated here. Suffice it to say that the supplement was introduced in response to concerns about low pay levels in the field and the impact of this on recruitment, retention and staff qualifications. The original supplement was labeled "educational" and was based on a graduated scale with higher amounts paid to those certified at higher levels. Payments were made quarterly directly to individuals, and was not included as part of the wages paid by employers.

The supplement was treated as a “bonus” and was thus not eligible for Employment Insurance or Canada Pension Plan deductions. One consequence of the “educational” label was that owners /licensees of child care centres were eligible to receive the supplement if they were certified and worked directly with children in their centres. Inclusion of owners was somewhat controversial at the time but now seems to be accepted. Unlike in other jurisdictions, payments were (and still are) made directly from government to individuals and are not routed through employers.

In 2006 the name of the supplement was changed from “educational supplement” to “Early Learning and Child Care (ELCC) supplement.” The eligible population was also expanded to include family child care providers. The amounts have also increased significantly, to more than triple the original amounts (\$1,040 to \$3,300 per year for Level I and \$2,080 to \$6,600 for Level II). A differential has also been introduced which gives lower amounts to Licensees and family child care providers (2,300 for Level I and 4,660 for Level II).

An Entry Level Supplement was also introduced in 2006. This is for individuals with Entry Level certification and is designed to encourage upgrading of this group. They can receive up to \$250 per course or \$500 per year for successfully completing courses in working toward a Level 1 certification. Courses for this purpose are available through a distance education program offered by the College of the North Atlantic.

Administration of the ELCC supplement has remained largely unchanged since its introduction. Payments continue to be made quarterly, on the basis of applications designed to document hours of work and other details. The system is administered through the Department of Health and Community Services, using a manual review and processing mechanism in which a departmental official receives and checks all applications independently each quarter before approving the issuance of cheques. However, the application process has been streamlined somewhat from its original form.

### **Other Provincial Wage Enhancement Programs**

All jurisdictions in Canada have some form of wage enhancement program, as well as other forms of subsidy to child care centres.

An attempt was made in this study to update the information on programs available in other provinces that was presented in the 2003 report. This was accomplished through a search of Web-sites of federal and provincial agencies, advocacy groups and research organizations in the field of child care. Since most of the Web-site searches did not yield the required detail, most of the results were drawn from the most recent review of the state of child care in Canada completed by the Child Care Research Unit (Friendly, Beach, Ferns & Turiano, 2007; <http://www.childcarecanada.org/>).

Table 3.2 shows the results of this exercise. This table shows that almost all provinces have some form of support program for licensed child care centres, most of which are linked in some way to wages. The most common type of program is an operating grant. In some cases, amounts are explicitly designated for wage enhancement, while in others this is at the discretion of the centre operators. Provinces with a large proportion of for-profit centres tend to provide support for such centres, while those with mainly non-profit centres are more likely to confine their support to that type of centre. Quebec is unique in having something close to a universal program, with parent fees capped at a low level, which requires that most funding come from the province. Ontario is also unique in providing support to municipalities which, in turn, support the operators, under conditions which require that most provincial funding go to wage enhancement.

As far as can be determined, the program in Newfoundland and Labrador is unique in paying the supplement directly to individuals rather than to centres. However, in some other jurisdictions this occurs indirectly through established salary scales or requirements that supplements be used to support salaries. For example, both New Brunswick and Ontario have provisions requiring that a large proportion of the funding be used for salaries.

**Table 3.2  
Current Child Care Supplement Programs by Province**

| Province (date)            | Name   | Description   |
|----------------------------|--|---|
| British Columbia<br>(2008) | ECE Incentive Grant Program                  | This grant provides ECEs who have not worked in a licensed child care facility for at least two years with an incentive grant to attract them to employment in a licensed child care facility.. Upon completion of each year of employment in a licensed child care facility, the recipient will receive a payment up to \$2,500.   |
|                            | Child Care Operating Funding Program         | Provides operational support to child care centres, based on enrollment. No specific link to salaries or education of staff   |
| Alberta<br>(2006)          | Staff Support Funding Grants                 | Available to all paid, certified staff working in regulated child care centres which have applied, been approved, and are in good licensing standing. Funding is paid to the child care centre on behalf of staff members at the following rates:<br><br>Pre-accredited centres    Accredited centres<br>Level 1 \$0.64/hr            \$0.96/hr<br>Level 2 1.21/hr            1.81/hr<br>Level 3 1.97/hr            2.96/hr |
| Saskatchewan<br>(2008)     | Tuition reimbursement                        | \$70 per class, or \$200 per orientation course per centre staff.   |
|                            | Early childhood services grants (2005 rates) | Infants     \$345/space/month<br>Toddler    \$207/space/month<br>Preschool \$103.50/space/month<br>School-age \$69/space/month<br>No explicit requirement to use funds for salaries.<br>Only not-for-profit centers are eligible for funding.   |
| Manitoba<br>(2006)         | Operating grants                             | Non-profit child care services are eligible to receive an annual per space operating grant, grants for children with disabilities and start-up grants. For-profit child care programs are not eligible to receive grant funding. Province sets maximum fees to parents.   |
| Ontario<br>(2005)          | Wage Enhancement Grants                      | Funds go to municipalities which determine how they are used. Intention is that 80% go to wages. Wage subsidy funding may be paid to full and part-time permanent staff in profit and non-profit licensed child care centres and private home day care agencies.  |



| Province (date)   | Name   | Description  |
|---|--|--|
| Quebec<br>(2006)  |  | Nearly universal non-profit publicly-supported system run by community-based boards. Parent fees capped at \$7.00/day. Remaining funds provided by province under several categories, including subsidies for staff benefits such as health insurance and pension plans. Child care and educational expenses of centres are funded at the following rates (2005)<br>– \$49.95/day for children 17 months and younger;<br>– \$32.50/day for children 18-59 months   |
| New Brunswick<br>(2006)   | Quality Improvement Funding Support Program (QIFS)                   | Support to centres based on number of spaces by program area. Facilities must use a minimum of 84% of the funds on wages and benefits of staff who work directly with children either as an increase to the hourly wage or as a bonus. 10% of the funds must be used to support ongoing professional development for all staff.<br>The rate for wage enhancements (2006-07) was:<br>- \$4.11/hour for “eligible employees” who have a minimum one-year recognized Early Childhood Education training.<br>- \$2.56/hour for eligible employees who do not have recognized Early Childhood Education training. |
| Nova Scotia<br>(2006)   | Salary enhancement grant:  | \$3.25/day per approved regular subsidized space multiplied by the number of operating days. Grants also available for other centre functions. No specific link to salaries.   |
| Prince Edward Island<br>(2006)  | Operating grants   | Full-day centre-based programs \$0.91/day/space<br>Part-time centre-based programs<br>- 12 children or fewer \$682/year<br>- 24 children or fewer 1,092/year<br>- 50 children or fewer 1,820/year<br>No specific link to salaries.   |
| Newfoundland and Labrador   | ELCC Supplement and Entry Level Supplement plus bursaries and grants | As described in this report. In addition, the province provides a \$5,000 bursary or forgiveness of student loans for those completing an ECE program, and a \$1,200 Summer Institute bursary as well as equipment grants and start-up grants for family child care homes  |
| Sources:<br>(Friendly, Beach, Ferns & Turiano, 2007); Provincial government web-sites |  |  |

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## **IV KEY INFORMANT INTERVIEWS**

### **Characteristics of the Respondent Group**

Respondents identified as key informants were mainly individuals with some role in child care policy development or implementation. Respondents included provincial Department of Health and Community Services officials, officials of the Regional Health Boards, representatives of child care advocacy groups, instructors in college ECE programs, employer representatives and persons responsible for the certification system. Some respondents served dual roles, particularly in that there was some overlap between official and advocacy positions. Respondents were representative of both the public and private sectors. Some of the individuals interviewed were also members of the Advisory Committee. A total of 22 individuals were interviewed.

Since key informant interview questions were designed to stimulate a wide-ranging discussion of issues, responses were not directed into categories as was the case for the other surveys. No attempt has therefore been made to quantify responses in terms of frequencies or percentages. The key in such analysis is to identify themes and patterns of response that are relevant to major study issues. In many cases only one or two respondents addressed a particular point, on the basis of their unique roles or experiences. For this reason, the importance of a point must be judged in relation to the issues, and not in terms of frequency of response.

### **Views on the Development of Child Care in the Province**

The interviews highlighted several positive aspects of child care work and the regulated child care sector. Several respondents emphasized the importance of early childhood learning. Some also pointed out that the job can be very rewarding and that it can attract some very good people who love children. However, others suggested that taking ECE training programs may be a last resort for some.

Respondents also noted positive aspects of government involvement in the sector. They liked the availability of the supplements, the equipment grants and the funds available to child care centres in rural and under serviced areas. They also commented on the improvement to and expansion of early childhood programs and the increased attention to the inclusion of children with special needs.

Salaries and benefits dominated their discussion of problems in the child care sector. Many respondents were of the view that ECEs are not adequately compensated for the nature of the job. Respondents pointed out that the work can be quite difficult and that the responsibility is great.

Respondents offered several explanations for the low salaries, including the fact that parents cannot afford to pay what the work is actually worth. Many also suggested that the profession is undervalued and that the public does not understand that the ECE is a trained teacher, with a specialization in early childhood learning needs. They worried that the public sees ECEs as babysitters whose skills and responsibilities do not warrant a professional salary and benefits. A few respondents also suggested that the for-profit nature of the child care sector was another factor explaining the low salaries. Many took the position that government needs to invest more in the sector and work on changing public opinion of the profession. While only a few explicitly supported a move to a fully public system, greater public involvement was a theme that occurred throughout the interviews.

In addition to salaries, respondents mentioned several other problems with the child care sector. These included:

- Lack of available spaces, especially for infants and in rural areas
- Shortage of family child care homes
- Lack of accessible/local training and professional development opportunities for those working in child care
- Lack of Federal Government support

## **Supply and Demand**

The low salaries were seen as having several negative effects, mainly on recruitment, but also on retention. Respondents pointed out the difficulty of attracting keen and bright young people into a profession with such low rewards. One respondent said that the salary cannot support the kind of

lifestyle that young people are looking for. Respondents also described difficulties with recruiting qualified staff to fill positions. Indeed, one even suggested that it was difficult to find any staff, qualifications notwithstanding. This was seen as a bigger problem in rural areas. Recruitment problems led one respondent to ask whether a centre should be allowed to stay open without qualified staff. Another wondered whether a good program can be delivered if staff turnover is high. These types of questions are central to these respondents who were largely responsible for the licensing and monitoring of programs. They illustrate the issues that arise out of staffing problems associated with low salaries.

Salaries were not, however, the only explanation offered for staffing problems. Respondents also mentioned the availability of other good jobs, poor working conditions and lack of availability and cost of training for those in rural areas.

### **The Supplement and its Impact**

We asked for specific feedback on the Early Learning and Child Care Supplement and the Entry Level Supplement. Very generally, respondents had some sense that the supplements were positively affecting the quality of child care because they promote training which should improve skills. They also felt that the supplements may help reduce staff turnover.

Respondents were asked whether the ELCC Supplement and the Entry Level Supplement should focus on upgrading and education. Many felt that the emphasis on upgrading and education is appropriate for both supplements. However, they were more ambivalent about whether either program is effectively promoting upgrading and education. Several respondents suggested that the ELCC supplement had really become a wage enhancement.

We also asked about whether the supplements are having an effect on upgrading. Many respondents felt that they were not having much of an impact especially for those above Level 1. Respondents were similarly ambivalent about whether the Entry Level Supplement was effectively encouraging education. Several suggested that the program is not well known and not enough people are taking advantage of it (indeed, a few respondents said they had not heard of this supplement). Some felt that training is sometimes difficult to access and that the Entry Level Supplement is not actually large enough to cover the cost of additional training. This led some to conclude that the supplement need not be attached to expectations around upgrading, although

some thought that it was important to keep people interesting in pursuing further education.

In terms of the ELCC supplement as a device to encourage recruitment, most respondents did not think that the supplement is an effective way to recruit. If the public is unaware of the supplement, it cannot be seen as a way of attracting new people to the field. As for the impact on retention, several respondents felt that it is effective in this way but others felt that there is not enough money and that people stayed in the field because they enjoyed and are committed to the work. More generally, however, respondents tended to believe that the supplement was more effective for retention than for recruitment.

### **Administration of the Supplement**

Respondents were asked to comment on a number of aspects of how the supplement is administered. Respondents generally advocated for less rigid eligibility criteria, with some suggesting that everyone who works in child care should be eligible. Others thought that all Entry Level staff should be paid the Entry Level Supplement without having it be dependent on upgrading. They also tended to support the extension of eligibility to those working in family child care settings. While wishing to expand the range of eligible staff, most respondents still argued for a sliding scale with the amount dependent on education and experience. Indeed, several respondents suggested that only education and experience should determine eligibility and the nature of the work should be irrelevant. Several also suggested that owners not working directly with children should not be able to receive the supplement (which is in fact the case though some respondents felt that this can be contrived).

Other comments on administration of the supplement were:

- Respondents had few complaints about the application process although a few suggested that it was a bit cumbersome and detailed.
- A few wondered whether the payments should be more frequent but most had no comment on the frequency of the payments'

## V OWNER/LICENSEE SURVEY

The target population for this survey was one representative from all 105 individuals holding child care centre licences in the province. Counting multiple licence holders, these individuals represented 172 different centres.

Depending on the structure of the centres, the targeted individual could be the owner or the operator/manager, with these categories overlapping in many cases. In a few cases, the respondent was the chair or member of the governing board. The intention was to locate the individual most knowledgeable about centre operations and, in particular, most able to provide detailed information on staffing. For licensees operating multiple locations, only one individual was targeted. Where one respondent covered more than one location, the identifiers for all locations were coded for that individual and responses were not separated by location.

Because of this small population size, the full population was targeted for the survey. A total of 92 individuals representing 150 centres were interviewed, for a centre response rate of 87% and an individual response rate of 88%.

### Centre Characteristics

Table 5.1 gives some main characteristics of the centres, as derived from the interviews. This information supplements that given in Table 3.1 for the whole population.

**Table 5.1**  
**Centre Characteristics: From Interviews**

| Characteristic                   | Category   | Value  |
|----------------------------------|--|--|
| Ownership/auspice                | Commercial/For-profit<br>Not-for-profit  | 70%<br>30%   |
| Spaces                           | Total spaces represented by sample<br><br>Total spaces filled  | 4933<br>(88% of total spaces in province)<br><br>4382<br>(89% of spaces available) |
| Status of respondent             | owner<br>operator<br>other   | 51%<br>37%<br>12%  |
| Years in operation               | < 5<br>5-9<br>10-14<br>15-19<br>20 or more<br><br>Median   | 25%<br>12%<br>18%<br>18%<br>27%<br><br>12 years                                    |
| Year round operation             | yes  | 70%  |
| Centre size (number of staff)    | 1-2<br>3-5<br>6-9<br>10 or more<br><br>Mean<br>Median  | 14.1<br>34.8<br>23.9<br>27.2<br><br>7.7<br>6.0                                     |
| Centre size (number of children) | Mean (over all licensees)<br>Median (over all licensees)<br><br>Mean (over all sites)<br>Median (over all sites) | 54.8<br>39.5<br><br>32.9<br>39.0   |



The distribution of interviewees and their spaces among for-profit and not-for-profit sectors, is close to the population value. About half of the for-profit centres are operated directly by their owners. Not-for-profit centres are generally operated by employees, with ultimate ownership responsibility falling to boards of directors. Close to two-thirds of the centres have been in operation for ten or more years. This is an increase from about 50% in 2002. On the other hand, about 25% of the centres have been established within the past five years, suggesting that there is substantial renewal in this sector. Since the total number of owner/licensees has not changed since the previous survey, the trend seems to be in the direction of a few long-term licensees expanding their operations while others discontinue and are replaced by new licensees.

Staff distributions indicate that about 50% of centres employ five or fewer ECE staff. The larger mean than median staff numbers reflects the fact that a small number of large centres increases the mean but not the median size. The same is true for the number of children per centre. The larger mean than median per licensee again indicates that a small number of larger centres account for most of the spaces. However, the opposite is true for number of children per site, where the distribution is skewed towards more smaller sites.

### **Staff Qualifications, Pay and Working Conditions**

A total of 710 ECE staff were employed by the participating centres. Scaling to the total population yields an estimate of approximately 800 ratio staff employed by all centres in the province. An unknown number of additional staff are employed in other capacities (such as cooks, bus drivers or cleaners) in the industry. A small number of others may be classified as either owners or business managers, who are not included in the ratio. Finally, approximately 70 family child care providers are now regulated (Figure 3.2, p.17). In total, therefore, the licensed child care industry provides some form of employment for close to 1,000 people.

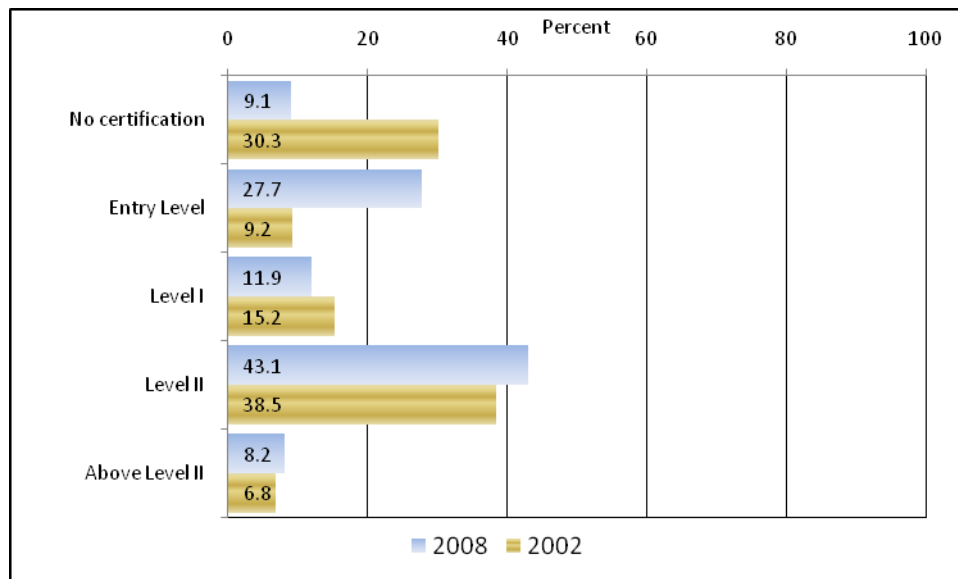
Figure 5.1 shows the distribution of staff qualifications across the ECE certification levels. This chart shows Level II to be the dominant certification level, a point that is consistent with the predominance of two-year ECE college programs. The next largest group is at Entry Level. The major change since 2002 is in the increase in Entry Level and the almost exactly parallel decrease in the number of uncertified staff. The major improvement in qualifications

since 2002 can therefore be said to be that uncertified staff have moved to entry level.

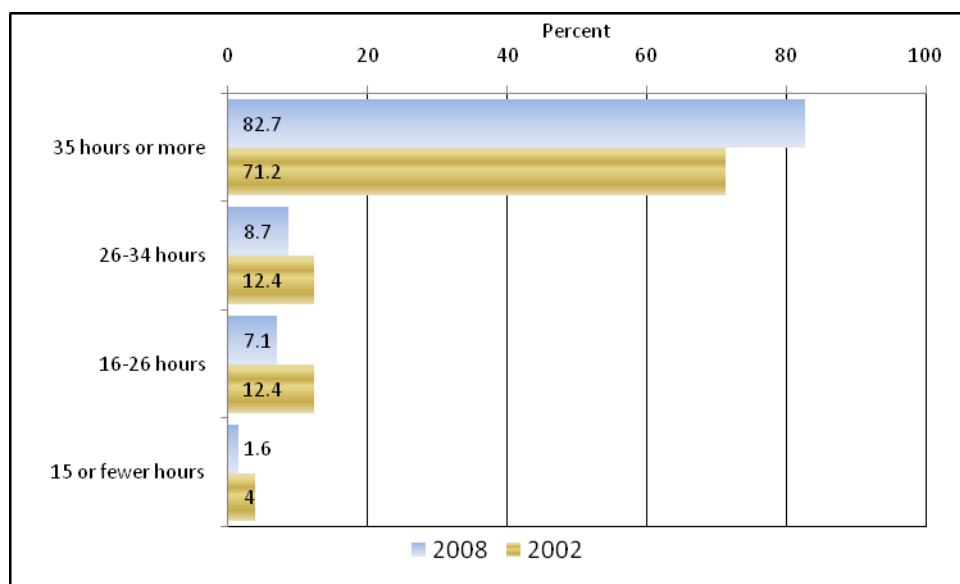
Proportionally, the number of Level I staff has increased marginally and the number of Level II staff decreased marginally since 2002. Taking account of growth in total staff levels, it appears as if most of the growth has been accommodated by Entry Level personnel, a point supported by the registry data presented earlier. While the absolute numbers of staff at the higher certification levels have increased, proportionally, this is not quite sufficient to accommodate the overall growth in the industry.

The distribution of hours of work per week is given in Figure 5.2. It is clear from these data that almost all staff are now working full time and that the percentage engaged in full time work has increased since 2002.

**Figure 5.1 Staff Certification Levels**



**Figure 5.2 Hours of Work**

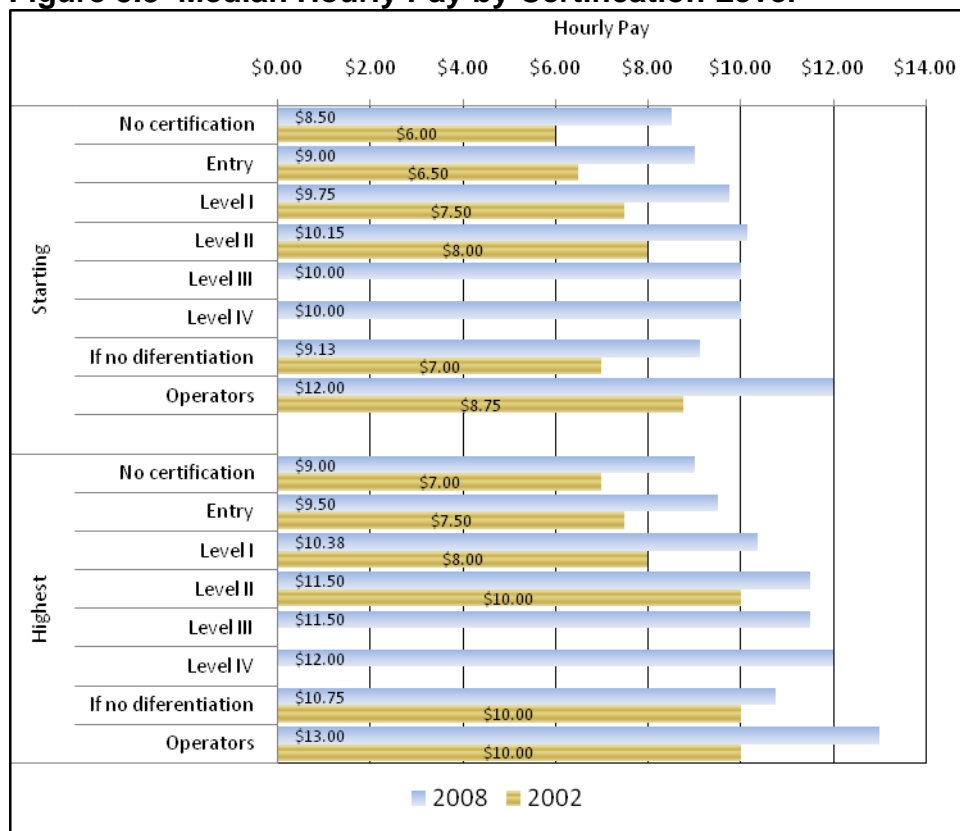


Questions about pay levels yielded data on starting and top hourly pay as well as the links between pay and certification. All pay figures are exclusive of the educational supplement. A summary of these data is given in Figure 5.3.4. These results show that there is small wage differential by certification level up to Level II but no difference above Level II (keeping in mind that only a small number of staff are certified at levels above II). On average, pay levels have increased 25-30% since 2002, with slightly higher percentage increases occurring for those with no certification and at Entry Level.

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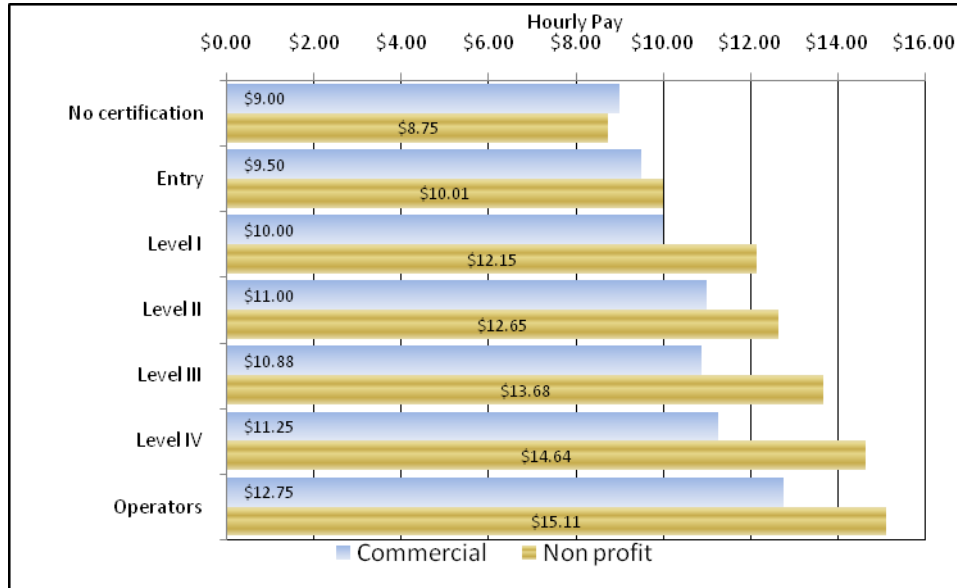
<sup>4</sup> It is noted that the data in Figures 5.2, 5.3 and 5.4 represent percentages of centres and not of individual staff members as only one respondent per centre was interviewed.

**Figure 5.3 Median Hourly Pay by Certification Level**



There seems to be a widespread perception that pay levels are higher in not-for-profit centres than in those operated on a for-profit basis. The breakdown of the hourly pay rates on this basis, as shown in Figure 5.4 indicates only small differences in median hourly pay for non-certified and Entry Level staff. However above this, the differences are more substantial, at close to \$3.00 per hour on average. It must be recognized, of course, that the number of staff members in some of these breakdown categories is small, so these medians are not particularly stable.

**Figure 5.4 Median Highest Hourly Pay by Centre Type**



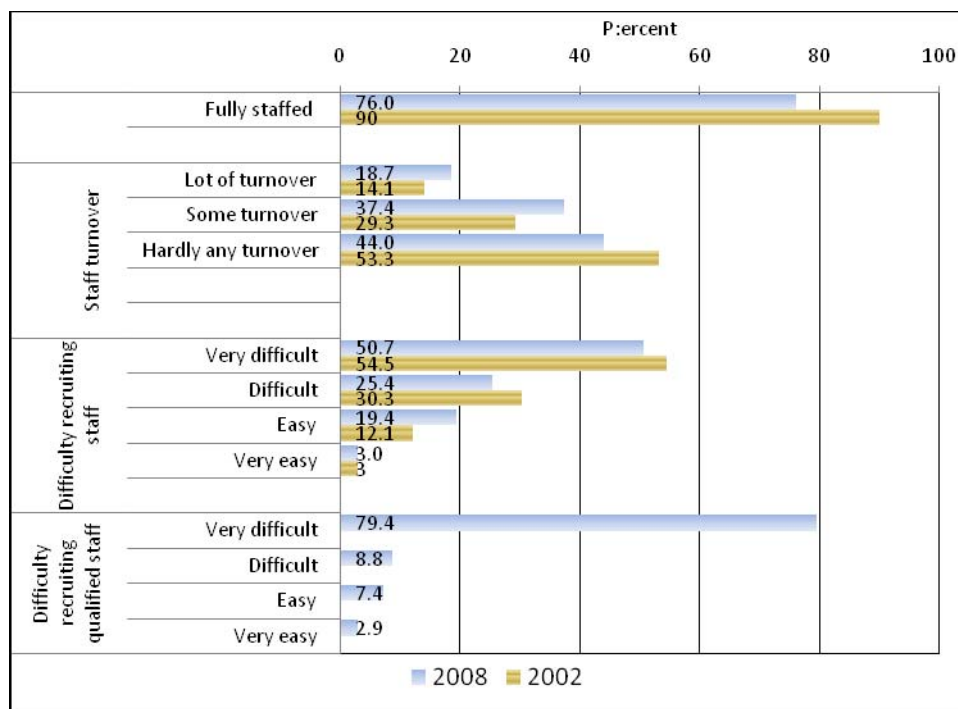
Almost all (84%) of the respondents reported that their staff receive regular increases in pay in addition to the supplement. This is an increase from about 60% in 2002. Only about 11% indicated that the existence of the supplement has made any difference to their decision to award pay increases.

About 40% of respondents reported that their staff receive benefits such as paid vacation, help with tuition or bonuses in addition to the supplement. A somewhat higher percentage (70%) indicated that they offer paid sick leave.

## Staff Recruitment and Retention

Figure 5.5 shows that about three-fourths of the centres reported being fully staffed. This is a slight reduction from the 90% reporting the same result in 2002. More than 40% of the centres reported that they have hardly any turnover. The overall distribution of turnover rate, however, suggests that the turnover rate has increased since 2002. Close to half the respondents reported that their centres are finding it very difficult to recruit staff. This situation seems to have improved slightly since 2002. When the question was narrowed to recruitment of qualified staff, however, about 80% of centres reported this as being very difficult (the latter version of the question was not asked in 2002). These figures are consistent with the results indicating considerable growth in Entry Level staff but little change in the availability of staff at higher levels of qualification.

**Figure 5.5 Staff Turnover and Recruitment Difficulty**



Those who reported some or a lot of staff turnover were asked to give reasons why this is the case. As Figure 5.6 indicates, the most frequently cited single reason was low pay, with close to half of the respondents citing this reason. A large variety of other reasons were also given including family responsibilities, lack of benefits and high mobility among young people. However, none of these was given by more than a small number of respondents.

**Figure 5.6 Perceived Reasons for Staff Turnover**

[Results do not sum to 100% because multiple responses were allowed]

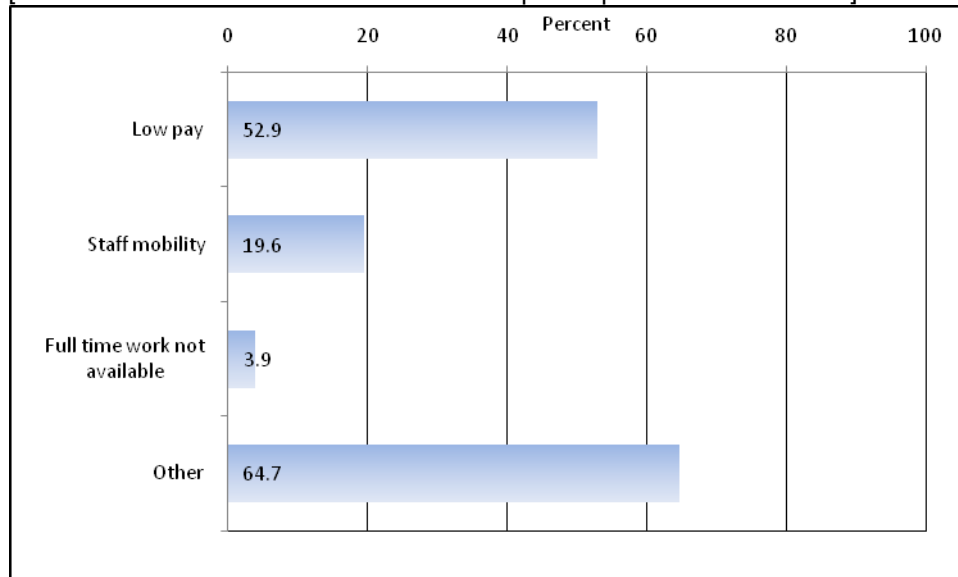
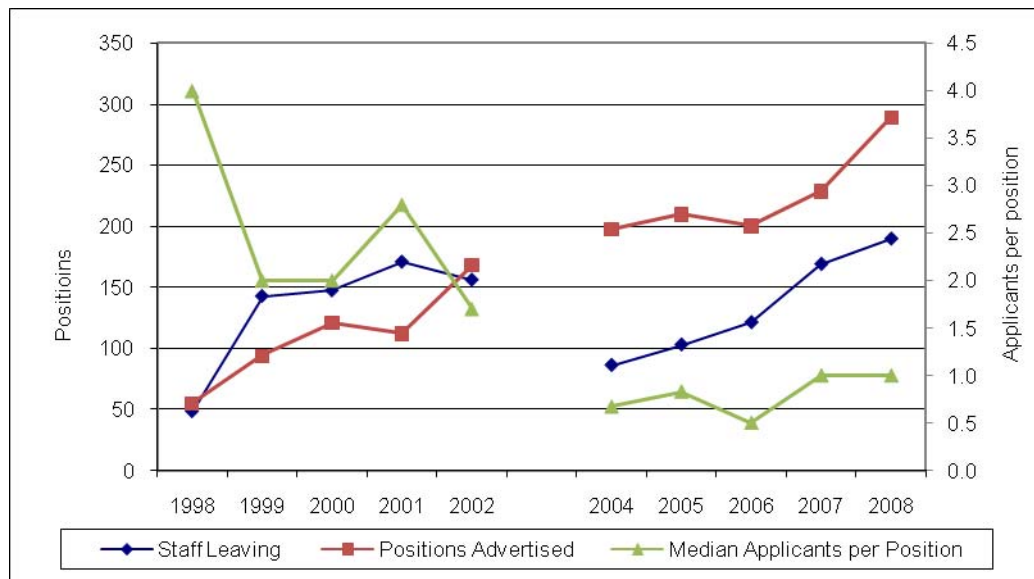


Figure 5.7 shows the trends in the number of staff leaving positions, the number of positions advertised and the median number of applicants per position for five year periods based on both the 2002 and 2008 surveys. (The gap in 2003 occurs because of the six year interval between surveys.) A number of cautions are required in interpreting this graph. First, because the number of respondents who could recall earlier years varied, all results have been scaled from the number actually responding to the full population. Second, it is important to note that the results are based on respondents' recall of events over five years and are thus not considered as accurate for the earlier years as the years closer to the surveys. It is likely that the gap in the number of staff leaving between 2002 and 2004 is related to the recall issue. The most accurate comparisons are likely between 2002 and 2008, the actual survey years.

**Figure 5.7 Staff Turnover and Recruitment**





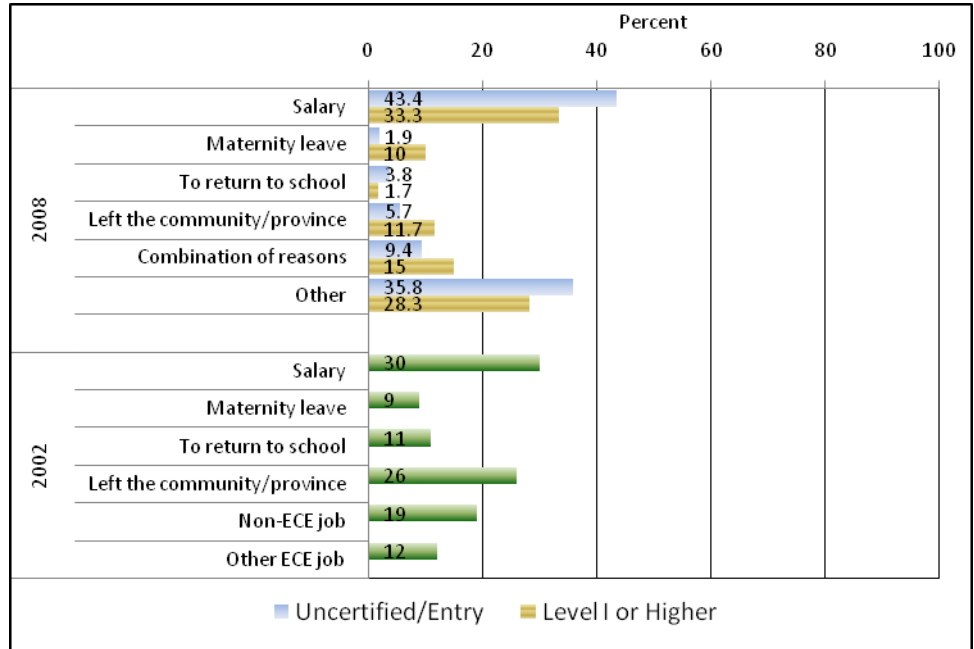
With these cautions in mind, several trends are apparent. First, both the number of staff leaving and the number of positions advertised has increased somewhat over the years. Indeed, the comparison between 2002 and 2008 shows about a 40% increase in the number of staff leaving and close to a doubling of the number of positions advertised. Some of this is no doubt related to growth in the number of centres and spaces. However, the changes seen here are much greater than the corresponding growth trend. The median number of applicants for positions has declined substantially, to the point that a median of only one applicant per position is now found. However, it should be noted that the actual number of applicants reported varied significantly among centres.

Respondents were asked to identify the number of uncertified or Entry Level staff who had left their centres compared to the number leaving who were certified at Level I or higher. These numbers were scaled to the total and were then compared to the total number of staff at the same levels. 42% of those who had left were reported as being uncertified or at Entry Level compared to 37% of total staff in 2008 being at those levels. This suggests that there is only a slightly higher turnover rate for staff at the lower levels compared to those certified at higher levels.

The earlier question in which respondent were asked to identify some of the reasons for high turnover of staff was followed by a more specific question on the **main** reason individuals from both of the above groups have left. Responses to this question are summarized in Figure 5.8. In the 2002 survey, this question was asked without differentiation of the groups, so the results are presented separately in the bottom part of the chart. For 2008, salary was cited by 43% of respondents as the main reason for uncertified/Entry Level staff leaving and by 33% as the main reason for Level I and higher staff leaving. A cluster of “other” reasons was given by 36% and 28% for the two groups respectively. Maternity, leaving the community or province and a combination of reasons were given by more respondents as reasons for Level I and higher staff leaving than for uncertified/Entry Level staff.

While the 2002 data are not directly comparable to the 2008 data, it appears that salary was given by more respondents while leaving the community/province was given by fewer in 2008 than in 2002.

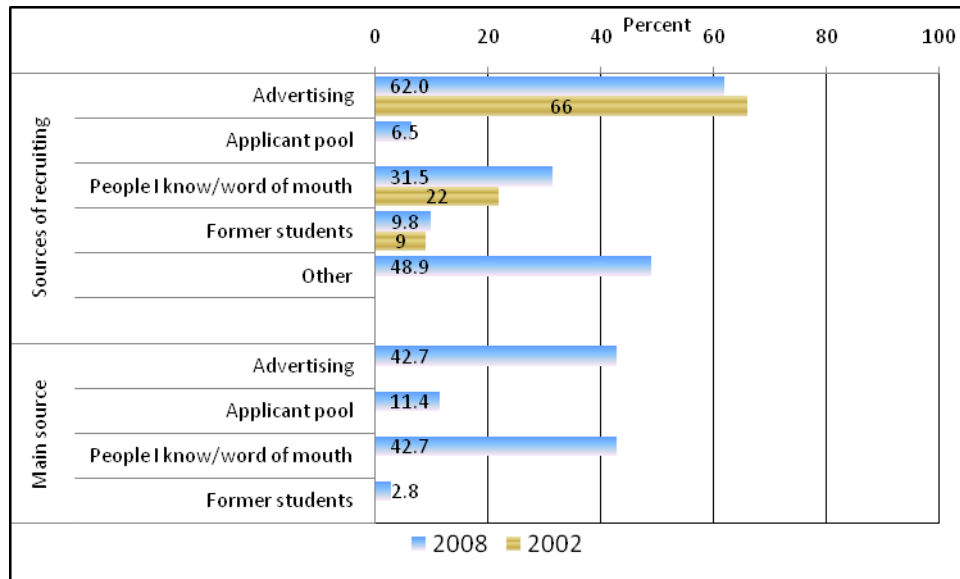
**Figure 5.8 Main Reasons for Staff Leaving**



Respondents were asked to identify all of their sources of recruitment and to give their main source. These results appear in Figure 5.9, along with the comparisons for 2002. This indicates that advertising is used by close to two-thirds of the centres, with little change since 2002. Word of mouth recruitment was reported more often in 2008 than in 2002. Close to half of the respondents indicated that they use “other” recruitment methods. The HRSDC job bank was reported as the most common of these other sources.

Finally, about two-thirds of respondents indicated that they are approached by job seekers even when no position is advertised. The median number of unsolicited applications on hand was two. The question of qualifications of such applicants was not pursued.

**Figure 5.9 Sources of Recruitment**



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## **VI STAFF SURVEY**

The staff survey was targeted at three different groups; recipients of the supplement in the last quarter of 2008, entry level staff and those no longer working in the field. In addition, owner/licensees were asked many of the questions included in the staff survey. This group was also added to the staff sample for purposes of analysis. The supplement population included all those who had received the supplement in the last quarter of 2008, for which the reference work period was July to September, 2008. The remaining two groups were drawn from the Child Care Services Certification Registry. This Registry provides a record of all of those certified since it began in 2000, including those whose certificates have expired or have been renewed.

All those who had been certified since January, 2006 were taken as the population. The specific identification of the non-working group could only be done at the time of the interview, as the Registry does not distinguish between those who are or are not working. The approximate population sizes, targeted samples achieved samples and error rates for the three groups were given in Table 2.1 (p. 11). The results presented in this chapter should be interpreted in light of the sampling error rates given in that table.

### **Population Characteristics**

Before moving to the survey results, it is worth presenting some basic population characteristics, as derived from the Registry. These figures are given in Table 6.1. For comparison purposes, figures from the previous evaluation are also included.

**Table 6.1**  
**ECE Registration Numbers, 2002 and 2008**

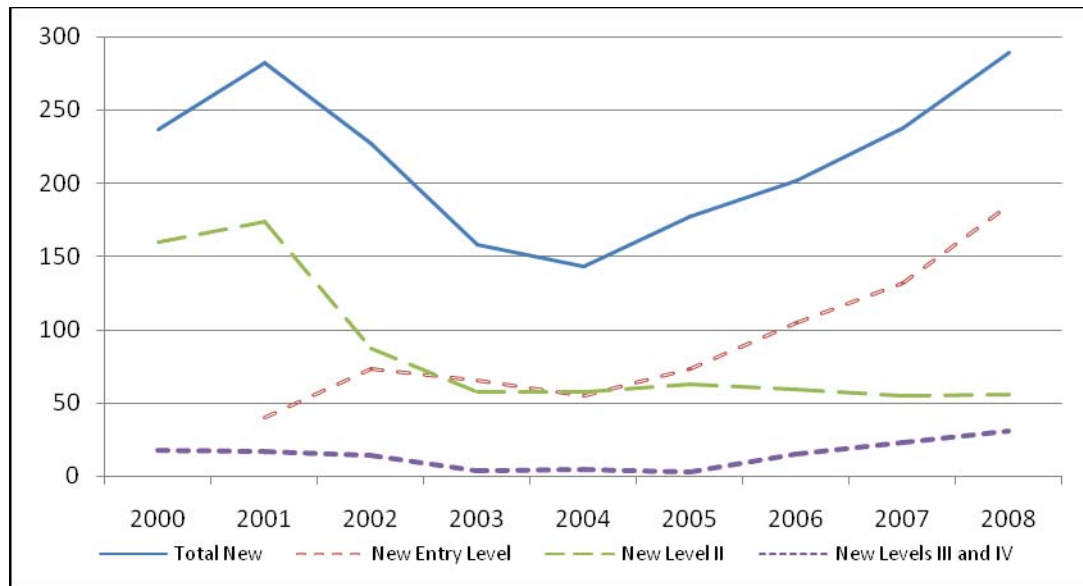
| Category                         | Number<br>December, 2008 | Number<br>October, 2002 |
|----------------------------------|--------------------------|-------------------------|
| Total registered since beginning | 1,957                    |                         |
| Total actively registered        | 1,409                    | 629                     |
| Certification levels (active)    |                          |                         |
| Entry                            | 563                      | 79                      |
| Entry/I                          | 3                        | 1                       |
| Entry/II                         | 10                       |                         |
| Entry/III                        | 40                       | 3                       |
| Level I                          | 118                      | 134                     |
| Level II                         | 543                      | 375                     |
| Level III                        | 72                       | 13                      |
| Level IV                         | 60                       | 24                      |
| Total Levels I-IV                | 793                      | 546                     |

These figures show that considerable growth has taken place in the total number of registrants since 2002. Increases have occurred at all levels except Level I. However, it is also notable that close to 550 registrants, or 28% of the December, 2008 total, showed registrations that had expired. The ECE training programs in the province are designed to yield Level II Certification on completion. It is therefore notable that, while the total number certified at that level has increased since 2002, the proportion of the total registrants who are at that level has declined from 60% to 39% of the total. More broadly, the percentage of all registrants who are at Level II and above (including those holding combined certificates) has declined from 66% in 2000 to 51% in 2002.

The most substantial growth in registrations has occurred at the entry level, where the percentage has increased from 13% to 40% of the total (not including overlapping levels). There has been substantial growth in the number holding combined certificates, especially Entry/III. Combined levels occur because certification is specific to child age groups. We understand that many of those with combined certificates are individuals with university degrees in areas other than ECE but with only entry level ECE qualifications. These individuals can use their higher certification level only if caring for school-age children.

Figure 6.1 shows the trend in the number of new registrations from the beginning of the registry in 2000 to the end of 2008. The high numbers for total and Level II registrants in the first couple of years no doubt relates to the start-up, with many existing staff registering. Since about 2003, there has been steady growth in the total number of new registrants. However, almost all of that growth has been accounted for by increases in Entry Level registrants. The number of new Level II registrants has remained about constant over the years since 2003. However, the number of registrants at Levels III and IV has increased considerably over the past three years. This may account for some of the decline in Level II registrants, as those at that level upgrade.

**Figure 6.1**  
**New Registrants, 2000-2008**



## Respondent Characteristics

Figure 6.2 gives the current work status of respondents. This shows that a majority (56%) are working in licensed child care centres and about 11% are working in family child care settings. Approximately one-third are not working in regulated child care. Of this latter group, about 40% are working in some child care capacity (we did not ask about the specifics of this), 20% are working in another area and 40% are not working. When asked why they are no longer working in regulated child care, the largest single reason cited was low wages (29%), followed by family responsibilities (16%) and illness (10%). A large number of other reasons were given but none of these specific reasons was given by more than 5% of the total and are thus not reported separately.

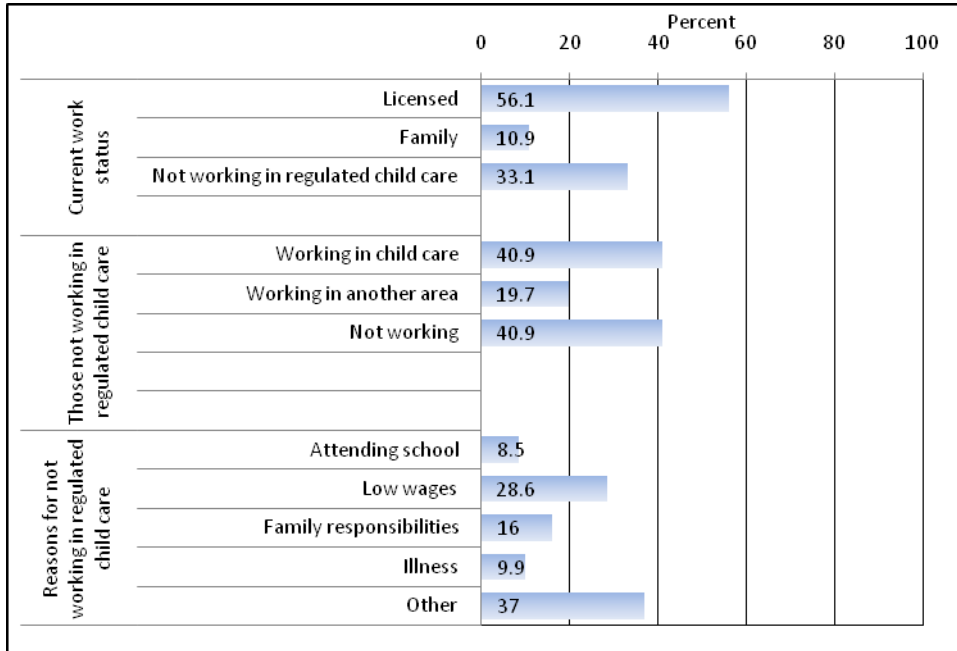
Figure 6.3 shows the certification levels of respondents in the current survey and the comparable figures from the 2002 survey.<sup>5</sup> This shows that the major growth in staff has occurred at the entry level, a point which is consistent with the data from the registry. The proportions of Level I and II certified staff have actually decreased since 2002, while the proportion certified above Level II has increased marginally. Of those who had been in the field since 2002, 31% indicated that they had upgraded since that time.

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<sup>5</sup> The 2002 survey included non-certified staff who were on a wait list for an entry level course. A small number of 2008 respondents (2.5%) also indicated that they were uncertified, even though the sample was drawn from the registry. Both of these groups have been excluded from this chart and the percentages adjusted to ensure comparability of the two sets of results.



**Figure 6.2 Work Status of Respondents**



**Figure 6.3 Certification Levels of Respondents**

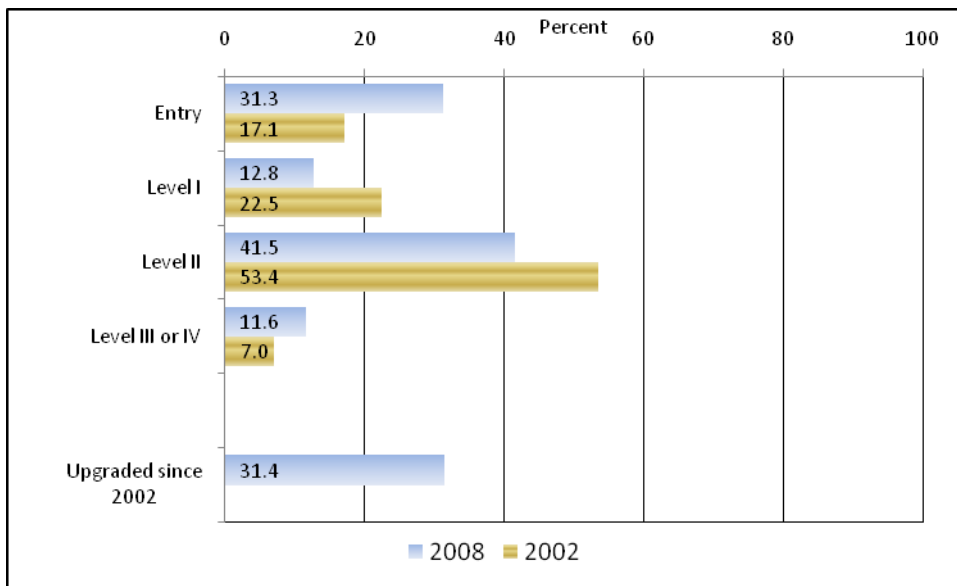
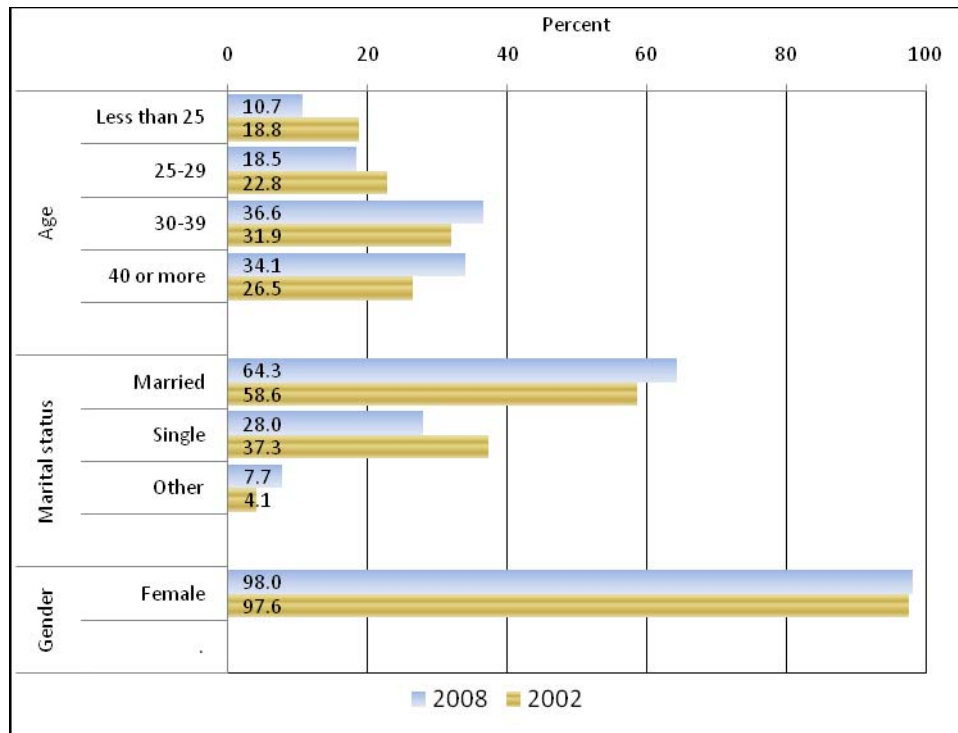


Figure 6.4 gives some basic demographic characteristics of respondents in 2008 and 2002. The age distributions show a slightly ageing child care work force, a pattern which is not inconsistent with trends in other occupations.

**Figure 6.4 Demographic Characteristics of Respondents**

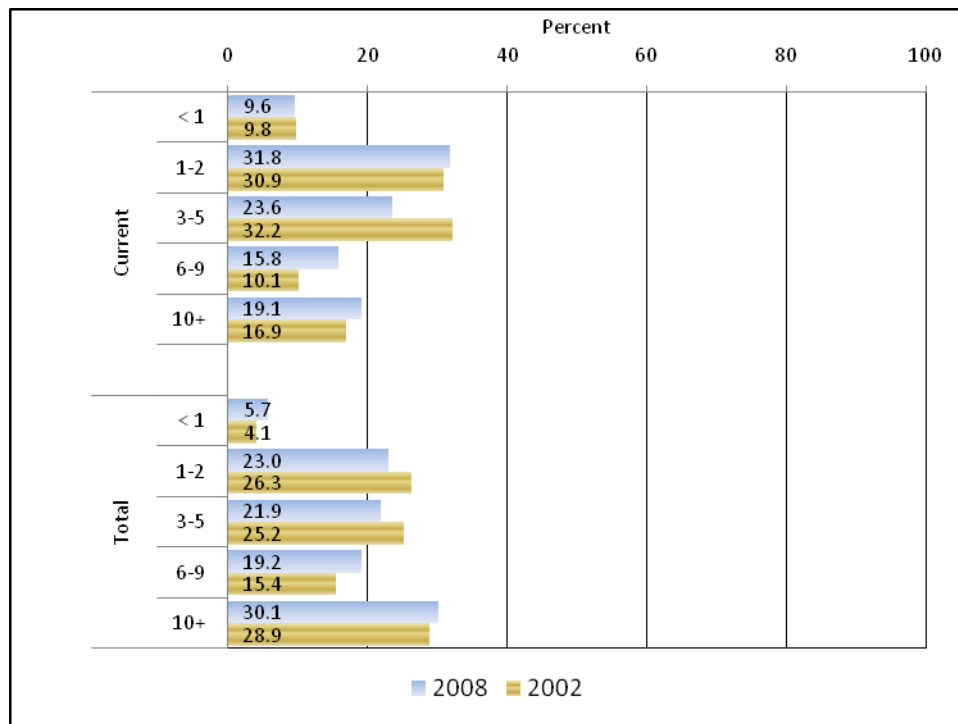


## Work Experience and Hours of Work

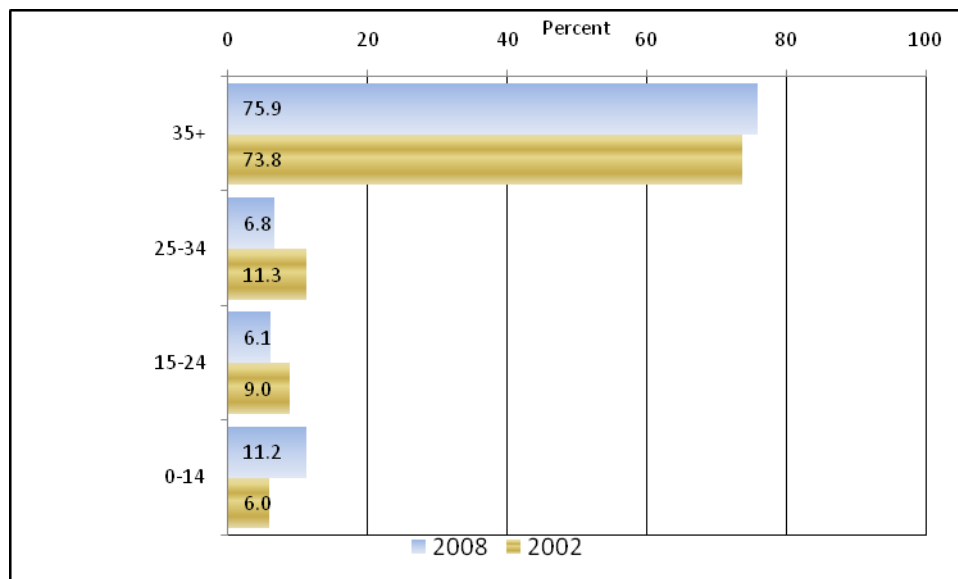
The pattern for years work experience in regulated child care is shown in Figure 6.5. This indicates that there is some movement within the field, as the distribution of years in the current job is skewed towards the lower end compared to that for total experience. There has been relatively little change in the pattern since 2002.

Figure 6.6 gives the hours worked by respondents in the week immediately preceding the survey. It is clear that the dominant pattern is full-time work (defined as 35 or more hours per week). Again, there has been little change in this pattern since 2002.

**Figure 6.5 Experience in Current Job and Total Work Experience**



**Figure 6.6 Hours Worked in the Past Week**



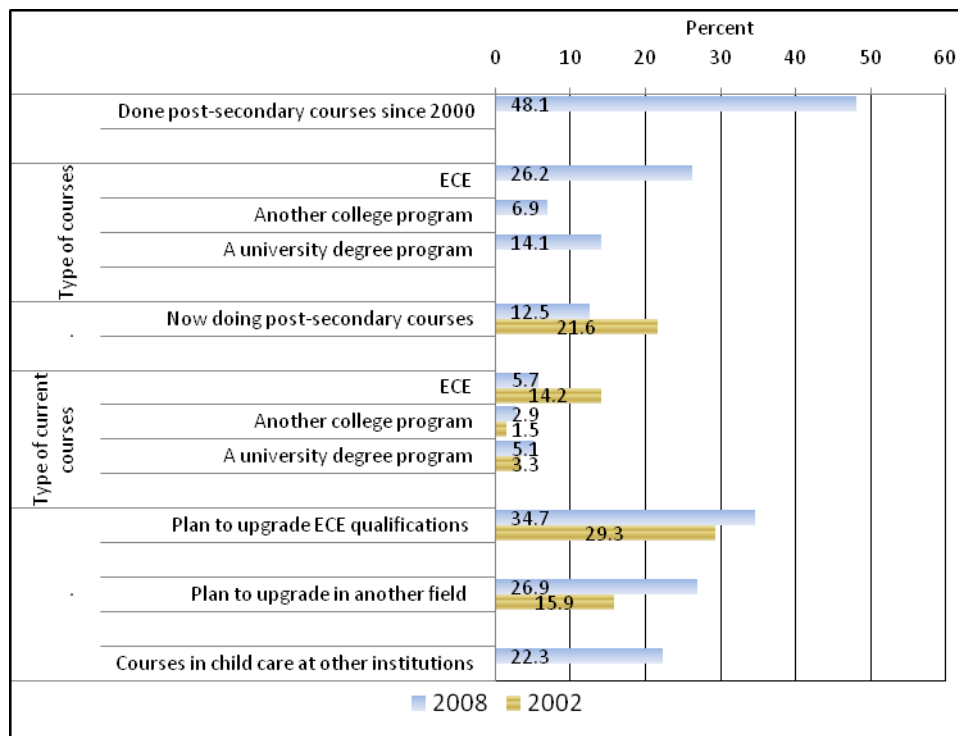
### Education Levels and Upgrading

Figure 6.7 shows a portrait of respondents' recent upgrading history and their future plans for upgrading. Close to half of the respondents indicated that they had done post-secondary courses since 2000. About half of these were in ECE related fields. Among non-ECE programs, more respondents indicated that they had done university than college courses.

About 12% indicated that they were currently doing any post-secondary courses, with just under half of these doing ECE related course work. Just over one-third indicated that they plan to upgrade their ECE qualifications in the future, while a slightly smaller percentage indicated that they intend to pursue studies in another field.

Not all of these figures are comparable to those from the 2002 survey. Of those for which comparisons are available, fewer respondents reported doing post-secondary courses and ECE courses in 2008 than in 2002. On the other hand, more 2008 respondents indicated that they planned to upgrade their qualifications both in ECE and in other areas.

**Figure 6.7 Recent Educational History and Future Education Plans**

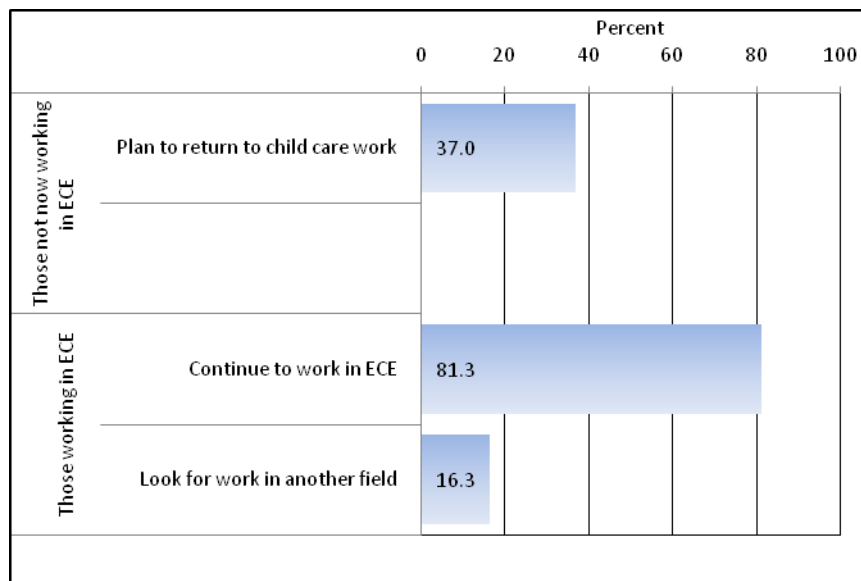


**Future Work Plans**

Both those now working in regulated child care and those not were asked about their future work plans, using slightly different questions. Responses are given in Figure 6.8. Of those who have left the field, just over one-third indicated that they intend to return. A large majority (close to 80%) of those now working in regulated child care plan to continue to do so.

These figures are not directly comparable to those from 2002 because working and non-working groups were not separated in that survey. At that time, about two-thirds indicated that they intended to continue to work in regulated child care, 10% reported that they intended to continue working in child care but in another setting while 12% planned to seek work in another field. Combining the non-working and working groups in the 2008 survey yields roughly similar figures.

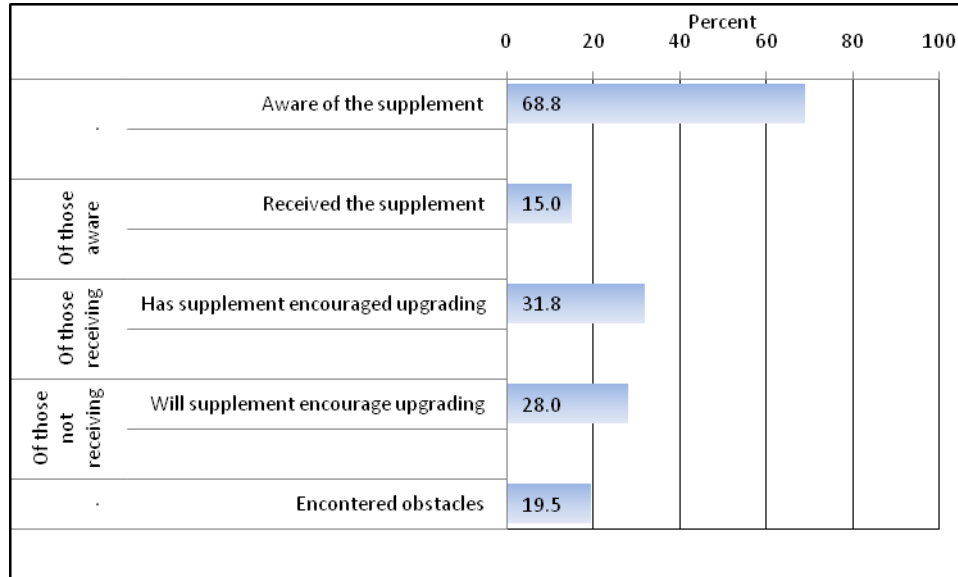
**Figure 6.8 Future Work Plans**



**Awareness and Impact of the Entry Level Supplement**

Those with Entry Level certification and those not now working were asked a series of questions about awareness of the Entry Level Supplement and its impact on upgrading. The results are given in Figure 6.9. This shows that just over two thirds of those respondents indicated that they were aware of the supplement. Of those aware, 15% had received the supplement (with about 40% of recipients receiving the supplement once and 60% more than once). Among recipients close to one-third indicated that the supplement had encouraged upgrading, while a slightly smaller percentage of non-recipients indicated that they expected the supplement to encourage upgrading in the future. About 20% indicated that they had encountered obstacles or barriers surrounding the supplement. The most commonly mentioned barrier was the cost of courses. A few others mentioned difficulty in getting into courses, finding time and administrative issues as deterrents.

**Figure 6.9 Impact of the Entry Level Supplement**

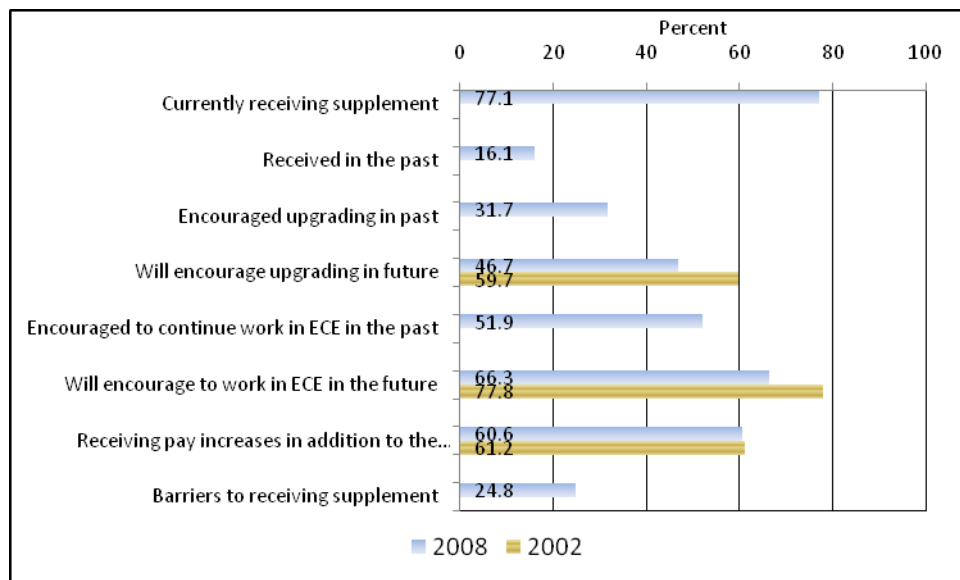


**Impact of the ELCC Supplement**

All of those considered eligible for the regular ELCC supplement based on their sample category were asked if they were actually receiving it. The expectation was that virtually all who are eligible would actually be in receipt. However, as Figure 6.10 shows, the reported percentage is somewhat lower. This is accounted for by changes in individual status since the last reported list of recipients and by the fact that all owner/licensees were asked the question even though some would have been ineligible because they are either not working directly with children or are not certified at Level 1 or above. About 16% respondents, mainly those not now working, indicated that they had received the supplement in the past.

Figure 6.10 also shows that about one-third of respondents indicated that the supplement had encouraged upgrading in the past while close to half reported that it would encourage upgrading in the future. The latter represents a reduction of 13% from the percentage responding to the same question in 2002. On the questions of whether the supplement has or will encourage the

respondent to continue to work in the field, about half indicated that this was true in the past and two-thirds felt that this would encourage them to continue to work in the field in the future. The latter figure is slightly lower than the response to this question in 2002. More generally, the impact of the supplement on encouraging staff to work in the field is greater than its impact on upgrading.



The percentage of staff indicating that they receive periodic pay increases in addition to the supplement has remained about the same since 2002, at close to 60%. It is noted that in 2002 staff were also asked if they had received periodic increases before the supplement was available. Almost no difference was reported at that time between the before-supplement and the after-supplement period, indicating that the supplement had had little impact on employers' decision to award pay increases.

Finally, about 25% of respondents indicated that they had encountered barriers to receiving the supplement. The most commonly cited barriers were the administrative processes (complexity, small errors leading to forms being returned, etc.) and the inability to receive the supplement while on leave. Difficulties in getting the required professional development hours, not working with the appropriate age group for the certificate and difficulties in obtaining



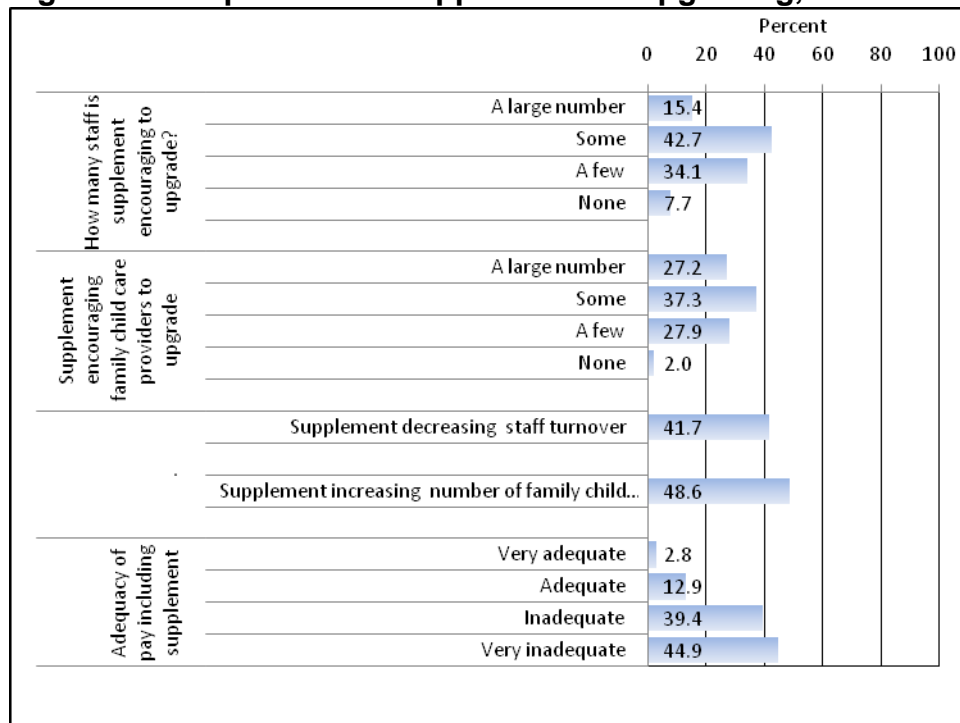
access to courses for upgrading were each mentioned by a few respondents.

The questions reported in Figure 6.10 were related to the impact of the supplement on individual decisions. A second set of questions were designed to solicit respondents' views on the more general impact of the supplement on upgrading, recruitment and pay levels of ECE staff. Figure 6.11 gives the results for these questions. This shows some division of opinion on the extent to which the supplement is encouraging centre-based and family child care providers to upgrade their qualifications. However, a majority of respondents agree that it will have an impact on some or a large number of staff. The response to the family child care provider question is slightly more positive than that to the centre-based staff question, with 27% indicating that this will impact a large number of family child care providers compared to 15% for a large number centre-based staff. There is also a division of opinion on the impact of the supplement on turnover of centre-based staff and on increasing the supply of family child care providers, with close to 50% responding positively to each of these questions.

Finally, it is clear that most respondents continue to believe that salary levels for ECE staff remain inadequate, even taking account of the supplement.

The figures reported here are not directly comparable to those reported in 2002 because of slight changes to the questions. In the earlier survey, 57% of respondents indicated that the supplement would decrease staff turnover a great deal or somewhat. This compares to 42% answering "yes" to the question in the current survey. Similarly, 28% of respondents to the 2002 survey indicated that the supplement would encourage "many" to upgrade compared to 15% responding to "a large number" in the current survey. Though inexact, these comparisons suggest a slight decline in optimism about the impact on retention and upgrading from 2002 to 2008.

**Figure 6.11 Impact of the Supplement on Upgrading, Recruitment and Pay**



### Administration of the Supplement

Figure 6.12 gives the percentages of respondents who believe that there are some who do not receive the supplement but should and the opposite, those receiving the supplement who should not. It is clear from this that respondents are broadly of the view that the supplement should be more and not less inclusive. However, when asked specifically which groups should or should not receive the supplement, the only group mentioned by more than one or two percent of respondents was entry level staff. As for who should not receive the supplement, no single group was identified by more than one or two percent of respondents. Generally, then it is reasonable to conclude that only Entry Level staff enjoy any significant level of support for being added to supplement eligibility.

Responses for 2002 were close to those for 2008, except for a slight increase in 2008 in the level of support for including Entry Level staff.

**Figure 6.12 Who Should or Should Not Receive the Supplement**

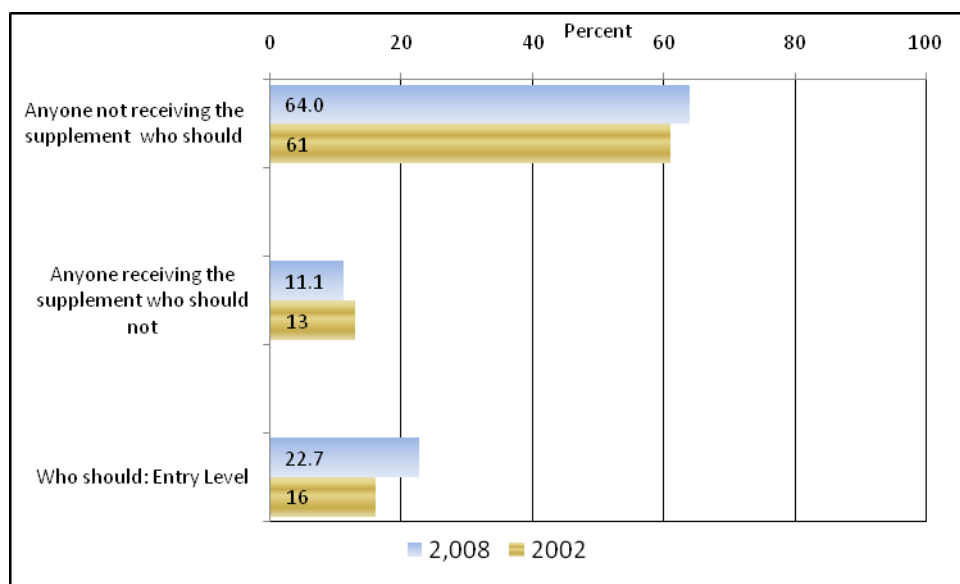
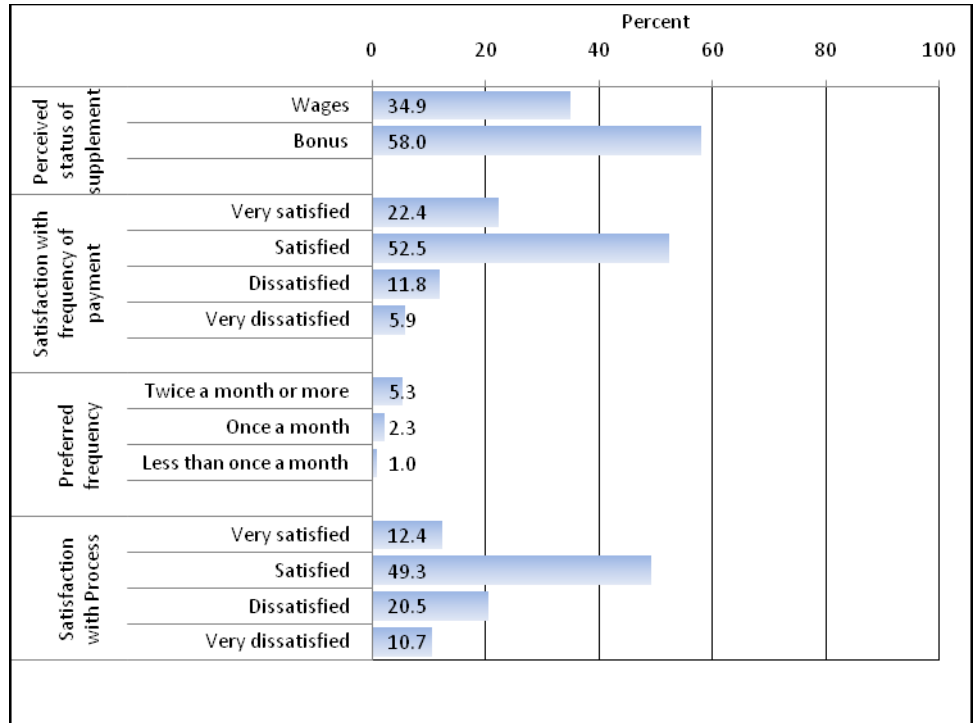


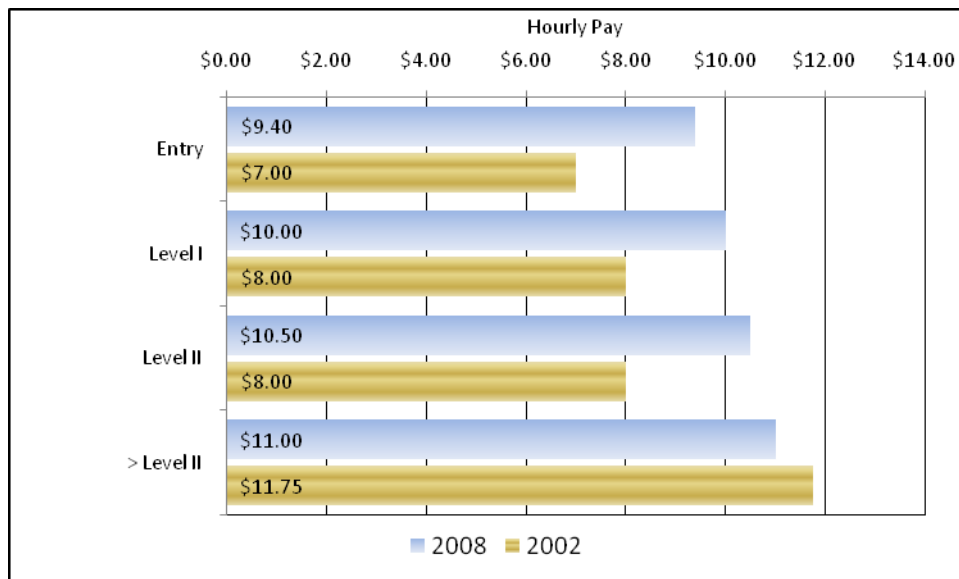
Figure 6.13 gives responses to other questions on the issue of supplement administration. First of all, close to one-third of respondents perceive the supplement to be part of wages, even though that is not its appropriate designation. A large majority are satisfied with the frequency of payment. Of the small proportion not satisfied, almost all would prefer more frequent payments. A majority are also satisfied with the process of administration, though the overall satisfaction level here is somewhat lower than that for the frequency of payment.

Figure 6.14 shows median hourly pay levels reported by respondents, tabulated by certification level. These data show that wages have increased by close to 30% over the past six years. The exception those certified above Level II, where median pay has actually declined slightly, It is not clear why this should be the case, though one possibility is that some individuals who are certified at multiple levels (such as Entry/III) are actually working with age groups for which they are paid only at the lower level. Since the certification question was coded only at the higher level, it is not possible to separate the multiply-certified group or to determine the level at which they are working.

**Figure 6.13 Perceptions of Supplement Administration**



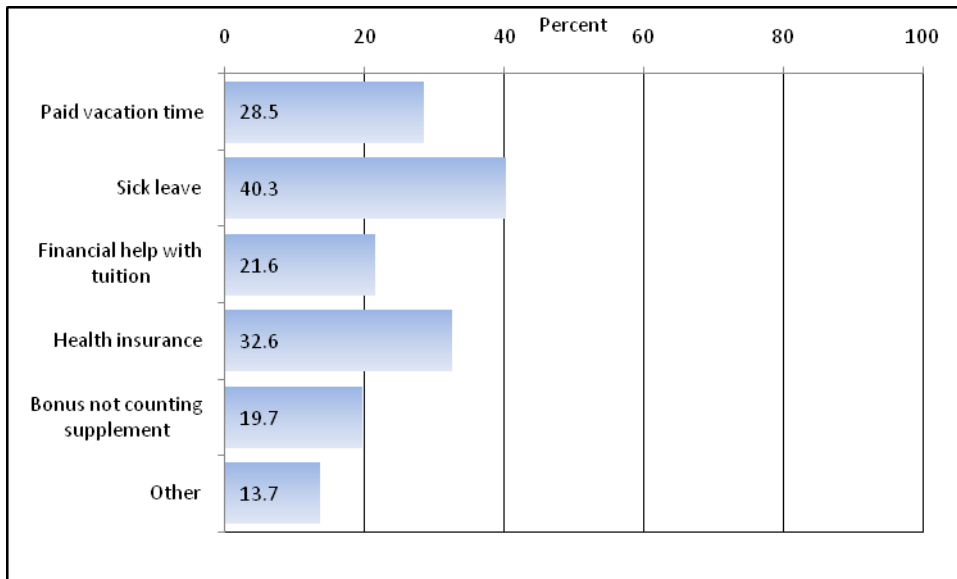
**Figure 6.14 Median Hourly Pay by Certification Level**



The percentages of respondents receiving various employment benefits are given in Figure 6.15. This indicates that a minority of staff in this field are receiving benefits. The most common benefit is sick leave, followed by health insurance and paid vacation time (additional to that required by law). Other benefits are offered by a small proportion of employers.

The results on benefits cannot be directly compared to those from the 2002 survey because only a generic question was asked at that time. About 40% of 2002 respondents indicated that they were receiving benefits, a figure which is reasonably consistent with those given here.

**Figure 6.15 Employment Benefits**



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## **VII STUDENT SURVEY AND ECE ENROLMENTS**

Training programs for early childhood educators are offered at three campuses of the College of the North Atlantic (St. John's, Corner Brook and Happy Valley-Goose Bay) and at private institutions in St. John's, Corner Brook and Carbonear. Students at all of these institutions were administered a survey designed to yield information on the backgrounds, motivations, expectations and future plans of those now enrolled in ECE training programs.

The survey was completed by 61 of a potential 75 students enrolled in full-time programs. About two-thirds of these were located at one of the two CNA campuses, while the remainder were attending one of the three private institutions. Those in the distance education program offered by CNA were excluded because they were not easy to reach through the college and because most are already employed in the field and thus would have been included in other surveys.

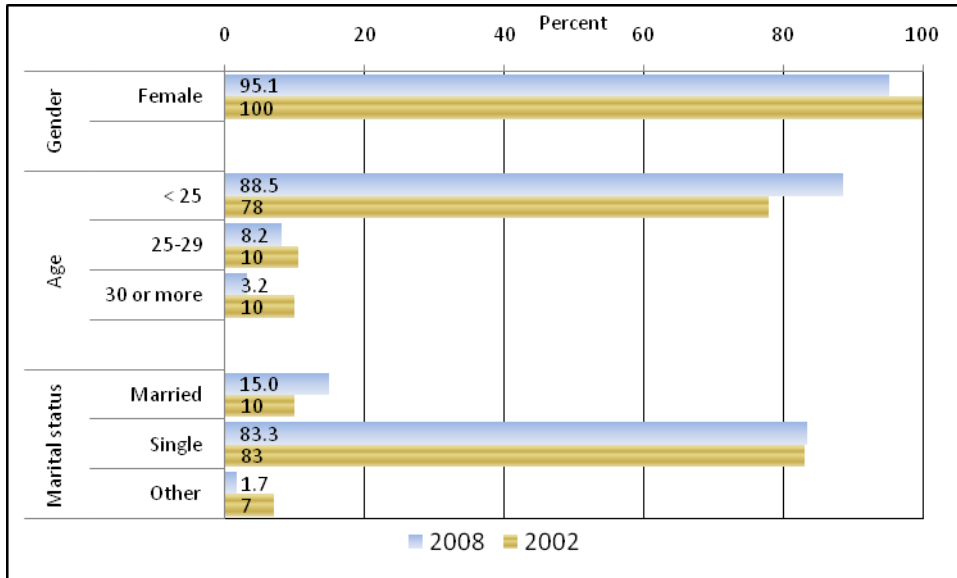
### **Respondent Characteristics**

Data on demographic characteristics and previous post-secondary and work experience of students are presented in Figures 7.1 to 7.3.

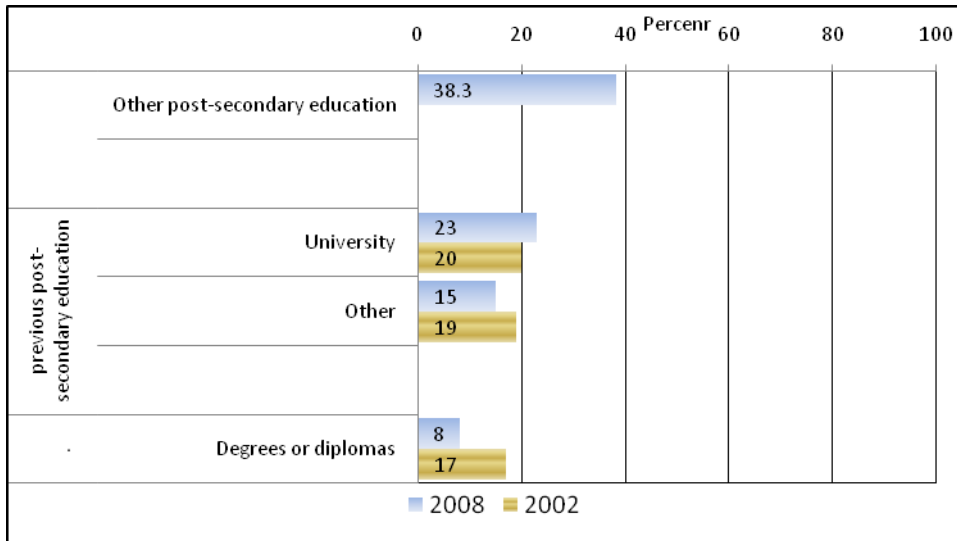
Figure 7.1 gives a picture of students as predominantly female, young and single. Only small changes in these characteristics are apparent from 2002 to 2008. The 2008 data indicate that a few males are now taking the ECE programs and that more students are less than 25 years of age.

As Figures 7.2 shows, close to 40% indicated that they had previous post-secondary experience. A few more had attended university than previous college programs. Only a small number reported having completed a previous degree or diploma. The figures are only slightly different from those in 2002, although fewer respondents in 2008 reported having completed a degree or diploma.

**Figure 7.1 Demographic Characteristics of Students**



**Figure 7.2 Previous Post-Secondary Education**



**Figure 7.3 Job Experience and HRSDC Sponsorship**

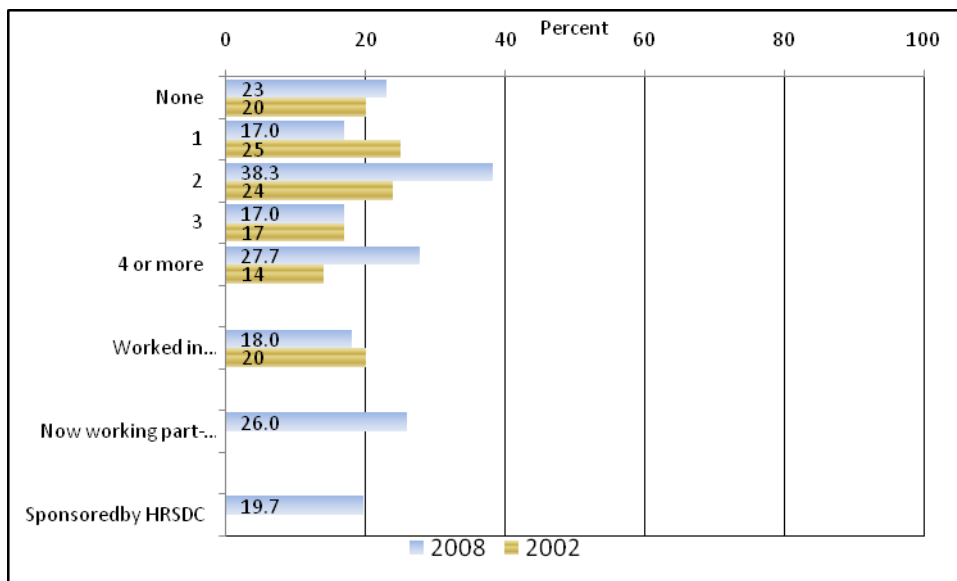


Figure 7.3 shows that close to 80% of respondents had previous work experience, with many having held several jobs. Compared to 2002, slightly more students in 2008 reported that they had held more than one job. Notably, however, less than 20% indicated that they had previously worked in an ECE setting; no significant change from 2002. While the experience information suggests that many students did not come to ECE as their first choice, the data are not refined enough to make a clear statement on this point. Approximately one-fourth of students reported that they were working part-time while in school. However none were working in regulated child care.

Although most respondents reported having had previous work experience, only a small proportion (about 20%) indicated that they are receiving HRSDC support under the employment insurance program. Some key informants suggested that HRSDC counselors might be reluctant to recommend ECE as a training program because of the low pay in the field.

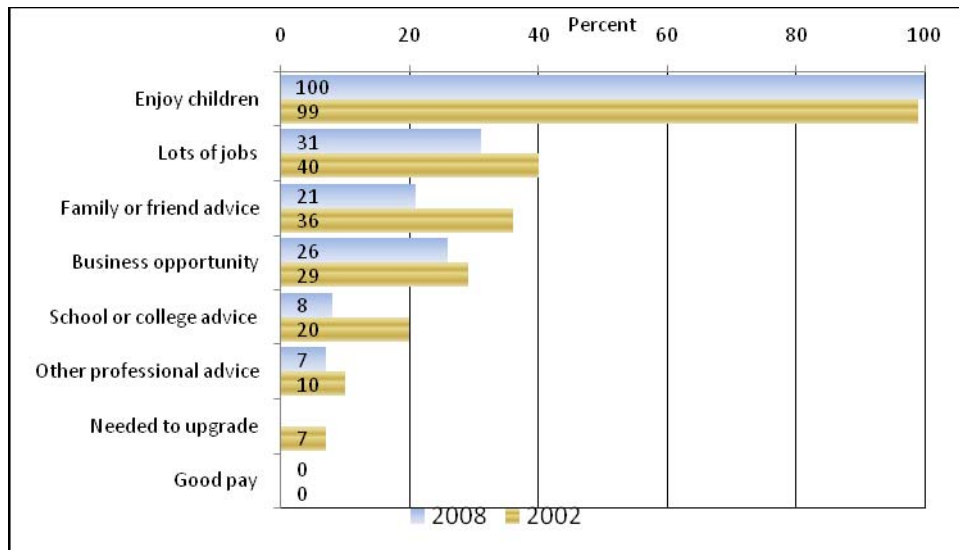
### **Reasons for Choosing ECE Studies**

Figure 7.4 shows the reasons given by students for enrolling in the ECE program (more than one reason could be given). The dominant reason by far, and the one given by almost all respondents, was that they enjoy working with children. Lots of jobs and good business opportunities were the next most common reasons. On the other hand, good pay was not selected by anyone, suggesting that students are not under any illusions about pay levels. Interestingly, advice from family or friends was given more often than school or other professional advice as contributing to the decision. This seems to conflict with the view of some interview respondents that many young women are being inappropriately guided into this field by counselors or other professional personnel.

The proportion indicating that they see the field as a business opportunity is higher than is typically seen in studies of post-secondary students, suggesting that the opportunity to pursue one's own business is a significant motivating factor. This is consistent with perceptions expressed by some that ECE work is a means of combining a career with family responsibilities, especially in the family child care area.

Compared to 2002, fewer 2008 students reported lots of jobs or advice from others as their reasons for entering the program.

### **Figure 7.4 Reasons for Entering ECE Program**



### Future Plans and Perceptions of ECE Work

Student responses to the question about immediate future plans are given in Figure 7.5. It is clear from this that most students intend to follow the most obvious route of trying to find work in a child care centre. Combining this choice with those intending to pursue further ECE studies or to work in a family child care setting, gives a picture of a student body with clear intentions to pursue careers in this field. There has been relatively little change in this pattern since 2002.

**Figure 7.5 Immediate Plans After Graduation**

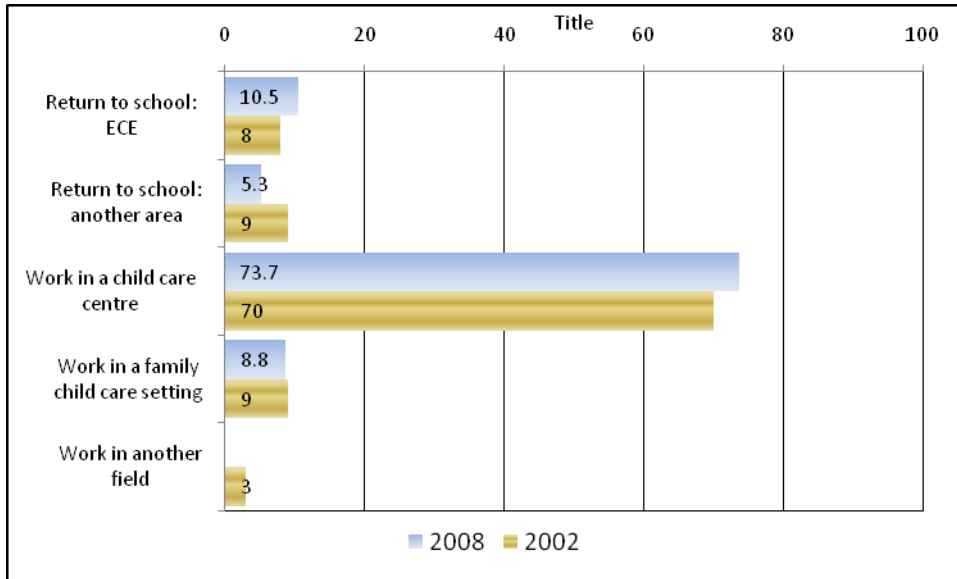
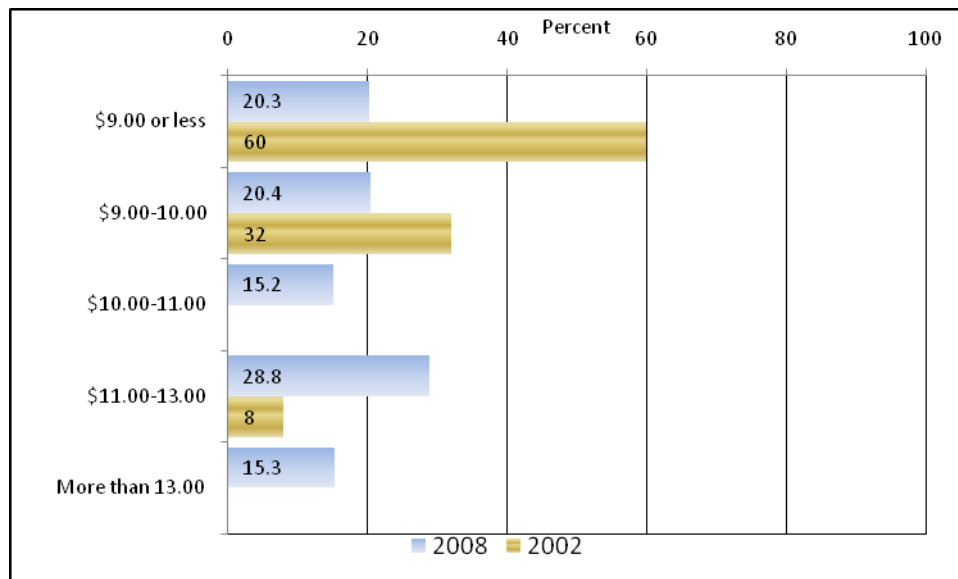


Figure 7.6 shows respondents' perceptions of their expected hourly pay on graduation. This indicates fairly wide differences in expectations. The median expected rate is about \$10.00 which is close to the median actually being paid for Level II certified staff. Expected pay levels have obviously increased since 2002 (although the figures are not directly comparable because of differences in the scales used).

**Figure 7.6 Expected Pay on Graduation**

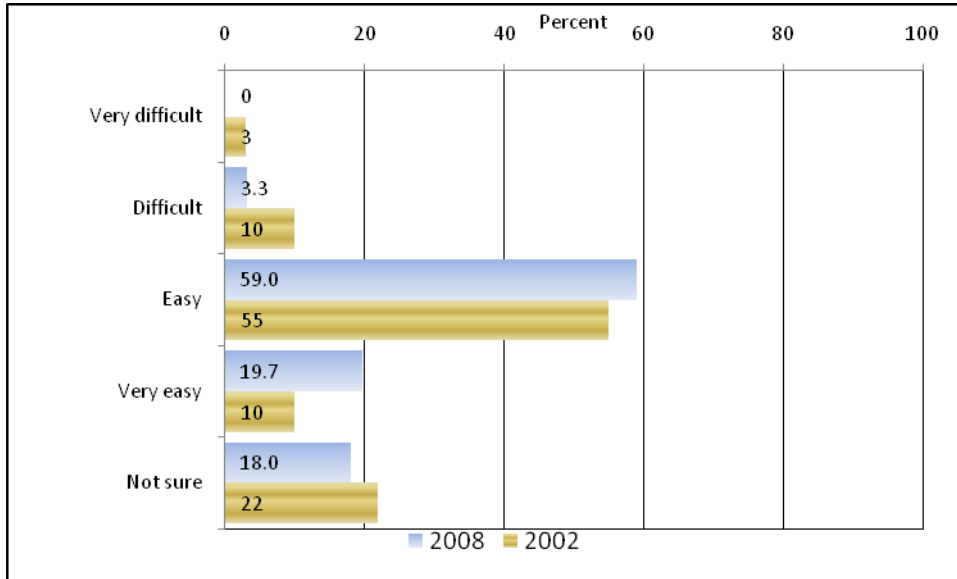


Student perceptions of the ease or difficulty of finding a job after graduation are shown in Figure 7.7. It is clear that most respondents expect that it will be easy or very easy to find employment. Expectations seem to have improved slightly since 2002, which is consistent with the direction of the job market.

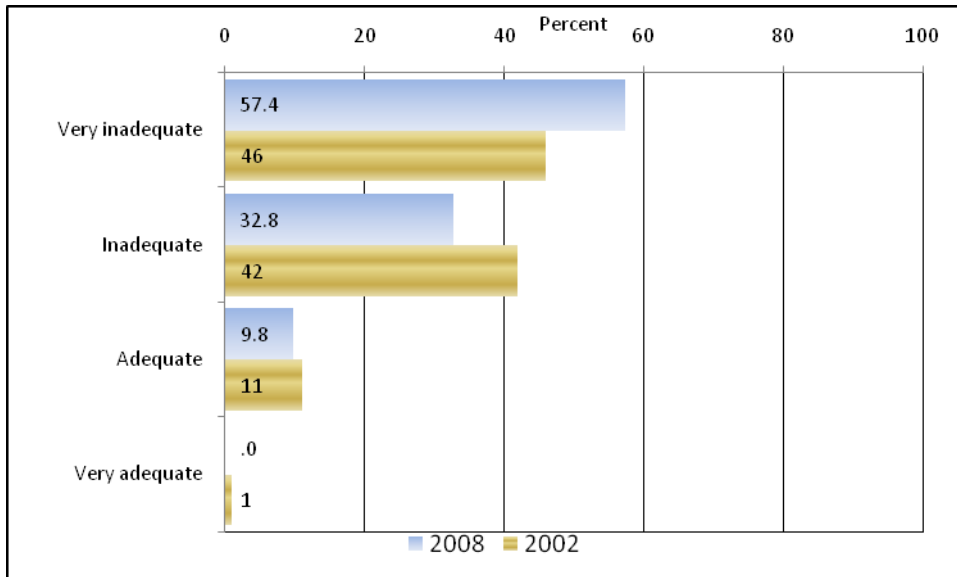
The data on perceived adequacy of salaries given in Figure 7.8 shows that almost all respondents view salaries as inadequate or very inadequate. Higher percentages now see pay levels as inadequate than was the case in 2002.

The overall picture from these data seems to be one of realistic estimates of salaries and willingness to accept low salaries, given the perceived ease of finding employment, enjoyment of work with children and other perceived positive features of the ECE field.

**Figure 7.7 Perceived Difficulty in Finding a Job After Graduation**



**Figure 7.8 Student Perceptions of the Adequacy of ECE Pay**



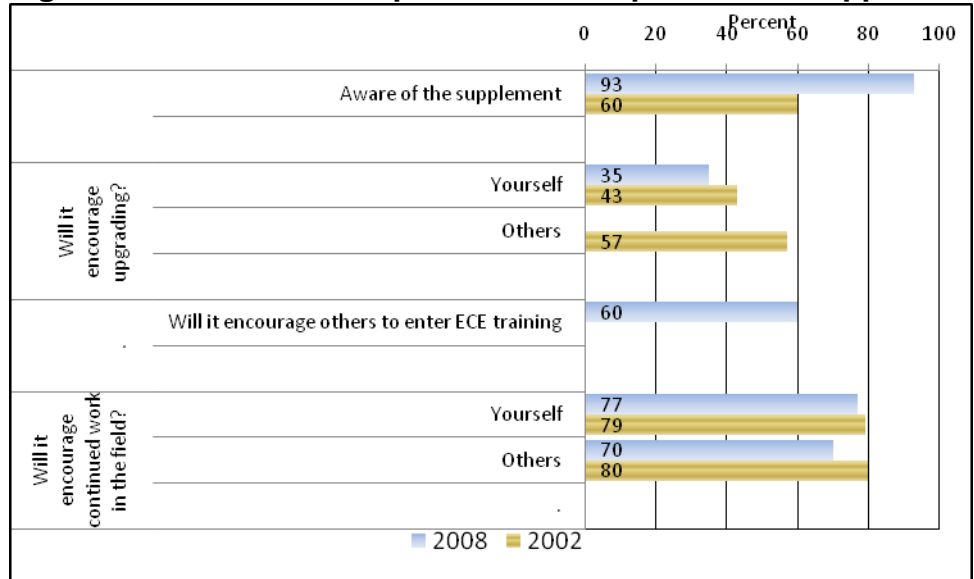


### Impact of the Supplement

Figure 7.9 shows student perceptions of the impact of the supplement. In contrast to 2002, almost all 2008 students reported that they were aware of the supplement. According to instructor interviews, however, most only become aware after they enter the program, so that the supplement is not an incentive to enter.

Most students felt that the supplement would encourage themselves and others to continue to work in the ECE field with little change in this since 2002. A majority felt that the supplement would encourage students to enter ECE training, with most of the remainder being unsure about this. This question was slightly different from the one asked in 2002, where 60% indicated that the supplement would encourage others to upgrade.

**Figure 7.9 Student Perceptions of the Impact of the Supplement**



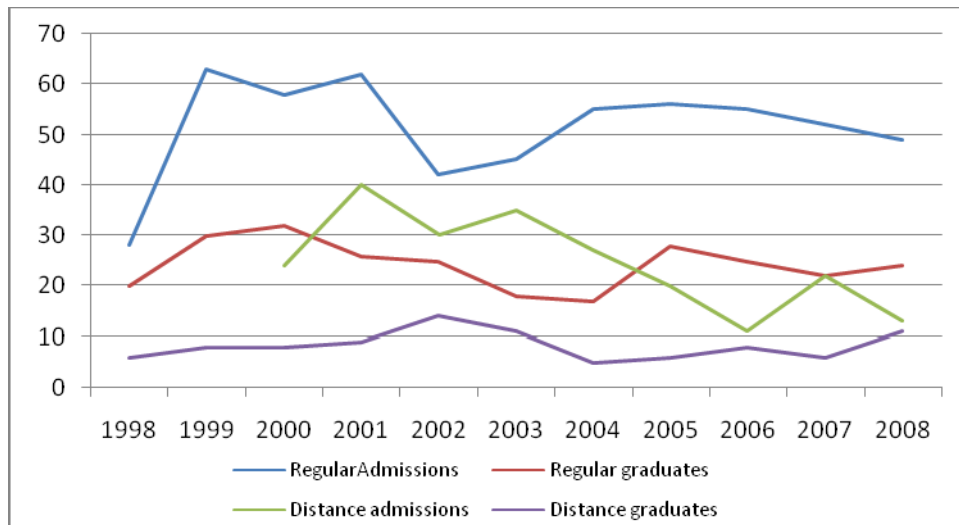
## **Enrolments in ECE Training Programs**

Details on enrolments and number of graduates in Early Childhood Education programs are given in Figure 7.10. Except for the distance education program, the number of graduates reflects admissions one or two years earlier.

While the data suggests that there is considerable attrition from the regular program, no definitive estimate of graduation rate for particular cohorts of students can be given because the graduation figures do not represent any single intake group. A comparison of the admission and graduation trends over the whole period indicates a graduation rate of slightly under 50%. While relatively low, this is not inconsistent with graduation rates in many other college programs.

In the case of the distance education program, after an initial influx of students in the early part of the decade, new admissions have generally declined in more recent years. The number of graduates has been relatively constant. However, it is important to note that college officials estimate that it can take as long as 6-8 years for individuals to graduate from the distance program. Recent graduates thus likely reflect the admissions from the earlier, higher intake years. If this is so, then a decline in distance program graduates can be expected over the next few years.

### **Figure 7.10 ECE Admissions and Graduates, College of the North Atlantic, 1998-2008**



The 2002 report also gave figures on enrolments and graduates of ECE programs in private colleges. This showed fairly widely fluctuating intake, because these institutions offer the program only if there is sufficient demand. The five year average to 2002 was 30 admissions, with a three year average of 19 graduated (some of these programs were one-year). Because of changes in the institutions offering programs, and wide fluctuations over time, it was not possible to obtain complete trend data for more recent years. However, the available data indicate that about 17 individuals have been admitted in and 15 graduated in 2007-08 (the graduates were from admissions two years earlier). To the extent that a pattern can be discerned it shows slight decline and considerable instability in these numbers.

## **VIII SUMMARY AND CONCLUSIONS**

### **Characteristics of Centres**

The data gathered in this study were broad enough to give a picture of some of the main characteristics of the licensed child care field, including the scale of the system, staff levels, rates of pay and perceptions of how the field is developing. The following are some of the highlights of the findings in this area, with comparisons to the 2002 study where applicable.

- A total of 172 licensed child care centres and 70 regulated family child care homes are found in the province, with licensed accommodation for about 5,600 spaces. This represents an increase of about 30% in both centres and spaces since the last study.
- Given that the child population has declined by about 10% since 2002, the capacity of the system relative to the total population has increased substantially over the past few years. However, it is not clear if the capacity has increased relative to demand. The distribution of locations remains strongly skewed in favour of urban areas, particularly the St. John's area.
- Just over 60% of licensed centres, and about 70% of all spaces, are commercial for-profit enterprises. Most of the growth since 2002 seems to have occurred in the private sector, particularly through expansion of the number of locations on the part of a small number of multiple licence holders.
- Just over 50% of licensees operate at a single location. The remainder hold two or more licenses. Individual centres employ a median of three staff members.
- The median number of children per centre is about 39.
- It is estimated that centres employ close to 900 ECE staff.

## Characteristics of Staff

- There has been considerable growth in Child Care Services Certification numbers in recent years, with the total number of registrants now being more than double that in 2002 (1,409 versus 629).
- Absolute numbers of registrants have increased at all levels except Level I. However, the greatest increase in both absolute numbers and proportion of the total has been at Entry Level.
- Most of the growth since 2004 is accounted for by new Entry Level registrants. The annual number of new Level II registrants has actually declined slightly over that period.
- There is substantial attrition from the ECE registration system, with more than 500 registrations since the system started in 2000 having expired (registration expires after three year unless renewed).
- In absolute numbers, most of the attrition has been at Entry Level. However, proportionally the greatest attrition has been at Level I. Part of this may be accounted for by upgrading from Level I to Level II.
- Almost all ECE staff are female. Median age is about 35 years, up from just over 30 in 2002, though the range remains quite wide. There has been a decline from 19% to 11% in the proportion of staff in the less than 25 year old range.
- Median experience in the field is about 4 years, also with a wide range. The experience distribution has moved slightly upward since 2002.
- Just over 60% of centre staff are certified at Level I or above. This has changed slightly since 2002. The percentage of staff with Entry Level certification has increased substantially since 2002 while the percentage of staff with no certification has declined by a comparable amount. This suggests that the major improvement in qualifications in recent years has consisted of people moving from no certification to entry level.

## Pay and Working Conditions

- Most staff (more than 75%) work full-time (35 hours per week or more). This represents a slight change since 2002.
- Just under two-thirds of the centres have pay scales differentiated by certification level. Median hourly starting pay for ECE staff ranges from \$8.50 for those with no certification to \$10.15 for those certified at Level II. Median top hourly rates are in the \$8.50 to \$12.00 range depending on certification level.
- On average, these pay rates have increased 25-30% since 2002. However this is a period during which the minimum wage has increased by close to 50% (<http://www.hrle.gov.nl.ca/lra/statistics/pdf/MinimumWageRatesNL1953-2010.pdf>).
- 84% of centres and 61% of individuals reported receiving periodic salary increases independently of the supplement.
- About 70% of centres and 40% of staff reported that they have sick leave benefits. Other types of benefits were reported by about 40% of centres and staff. Although the results are not directly comparable, this picture seems not to have changed much since 2002, when 40% reported receiving at least some form of benefit.
- Just over 80% of all staff who are currently working intend to continue working in the ECE field. About one-third of those no longer working intend to return to the field. These figures are not directly comparable to those for 2002 because working and non-working groups were not separated in that survey. However, combining the two groups in the 2008 survey yielded similar levels of intent to return to those found in 2002.

### **Staff Recruitment and Turnover**

- About three-fourths of centres reported that they are currently fully staffed. This is a decline from 90% in 2002.
- 44% of centres indicated that they have very little staff turnover. This is a decrease from 53% in 2002.
- 190 staff were reported as having left their positions in 2008, compared to about

156 in 2002. This represents a slight decline in the turnover rate, from 28% to 24%. 288 new positions were advertised in 2008 compared to 168 in 2002.

- 76% of centres reported that they have difficulty recruiting staff and 80% difficulty recruiting qualified staff for vacant positions. This is a slight reduction from 86% in 2002.
- Low salaries was reported most often as the main reason for staff leaving, with 43% of respondents giving this reason for uncertified staff and 33% for certified staff. Although the figures are not directly comparable because the differentiation between uncertified and certified was not made in 2002, the combined 2008 figure is somewhat higher than the 30% citing salaries in 2002. In 2002 the second most commonly cited reason was staff leaving the community or province. However the percentage giving this reason was substantially lower in 2008.
- 62% of respondents reported that they recruit by advertising, with 43% indicating that this is their main source of recruitment. The second most common source was word of mouth or through people they know. These figures are close to those found in 2002.
- The number of reported applicants per position was found to vary widely. The median was one applicant, down from two in 2002. This is consistent with the view that centres are having difficulty recruiting staff.

### **The Supplement and its Impact**

- Some form of income enhancement for ECE personnel is in place in most provinces. Although this is linked to educational qualifications in some cases, this is done through salary scales that reflect these qualifications. Although some jurisdictions require that a large proportion (though less than 100%) of the funds go directly to staff, in all jurisdictions other than Newfoundland and Labrador, funds are transferred to centres.. The decision to issue cheques to individuals in this province was based on consultations with other jurisdictions, leading to the conclusion that this was the best way to maximize the use of resources.
- About two-thirds of entry level staff indicated that they are aware of the Entry Level Supplement. However, only 15% reported having received this

supplement. This indicates that relatively few entry level staff are engaged in upgrading, as is required to receive this supplement.

- Of those receiving the Entry Level Supplement 32% indicated that it had encouraged them to upgrade and 28% reported that it would help them upgrade in the future. More generally, 28% indicated that it would encourage others to upgrade.
- Approximately 77% of those nominally eligible for the ELCC supplement reported that they are currently receiving the supplement. While this seems to suggest some gap between eligibility and receipt, it is noted that the nominally eligible group included owners/licensees who may not be working directly with children and perhaps some who had not started work until after the last quarter for which applications were made.
- About 32% of staff indicated that the supplement had encouraged them to upgrade in the past and 47% that it would encourage them to upgrade in the future. The latter figure is a reduction from 60% in the 2002 survey.
- Just over 50% of staff indicated that the supplement has encouraged them to continue to work in regulated child care and 66% indicated that it would do so in the future. Again, the future expectation is reduced from 78% in response to the 2002 survey.
- About 20% of Entry Level respondents and 25% of those eligible for the ELCC supplement indicated that they had experienced barriers related to receiving these supports.
- More generally, 58% of respondents only felt that the supplement would encourage some or many centre-based staff to upgrade, while 65% felt that it would encourage family child care providers to upgrade. Comparisons to the 2002 survey are inexact in this case but respondents in 2008 were somewhat more pessimistic about the impact on upgrading than those in 2002.
- In 2002, there was a tendency for respondents to feel that the eligibility criteria for the supplement should be liberalized. This remained true in 2008. Changes since 2002 have been in the direction of broadening eligibility, thus leaving less room for specific references to broadening the range of staff who might be eligible. The most common response this time (23% indicating) was that Entry Level staff should be eligible.



## **ECE Program Enrolments and Graduates**

- The trend in enrolment and graduation in ECE programs at the College of the North Atlantic is one of slight decline in recent years, following some growth in the early part of this decade.
- In particular, distance program enrolments have declined after an initial relatively high intake between 2001 and 2003. Because distance students take several years to complete, further reductions in graduation numbers are likely in the next few years.

## **Program Administration**

The 2002 survey reported some ambiguity in interpretation of the rules surrounding hours of work, what to do about short periods of leave, and other aspects of the link between the supplement and hours of work. Most of this ambiguity now seems to have been removed. However, some respondents continue to hold the view that the supplement should be made eligible for EI and CPP contributions, which would require a more direct attachment to wages and most likely an accompanying transfer to centre rather than government administration.

In the 2002 survey, many concerns were raised around the purpose of the supplement, the eligibility criteria and the administrative processes being used. In general, the 2008 survey indicated that these concerns have diminished. There seems no longer to be much of an issue around eligibility. Questions of whether the supplement is intended mainly to encourage upgrading as opposed to recruitment and retention remain, and will likely to continue to do so as long as the supplement is linked to work hours as well as to certificate level. This may actually be a moot point, since the supplement as designed can potentially serve both purposes.

The 2008 survey included a number of specific questions on administration that were not asked in 2002. The following is a summary of the results from these questions.

- 58% of respondents consider the supplement to be part of wages, while 35%

feel that it is a bonus.

- About 75% are satisfied with the frequency of payment.
- Close to two-thirds are satisfied with the process of administration. To the extent that there is dissatisfaction, there was a consistent view that the application process is more complex than it needs to be. In particular, many commented on the need to repeat the same information on every application and on a perception that forms are often returned for trivial reasons, including omission of information that should be on the record from previous applications. Some also complained about the time lag from application to receipt of cheque and about unpredictability in when cheques are issued.

Compared to many other government financial support programs, the educational supplement is relatively straightforward. No serious problems of administration were reported that would influence important outcomes such as whether funds are reaching the right people, equity in fund distribution or potential abuse of the system.

### **Conclusion on the Impact of the Supplement**

The key goal of this study was to determine if the supplement has had any impact on staff qualifications, recruitment and retention. The only basis available to make this determination is changes in these elements from the time of the previous baseline study in 2002 and the current study. It must be recognized that it is not possible to make true causal inferences about impact from changes over time, because the changes observed may result from factors other than the one of direct interest. For example, the availability of staff is likely to be influenced by changes in demographic or labour market conditions, or by the post-secondary choices available to potential candidates for ECE training programs, as well as by the increased income for qualified staff that is enabled by the supplement.

Relative to salary levels, the ELCC supplement is relatively large (close to one-third of the average annual salary for a Level II certified person). It might therefore be expected that, all other things being equal, the supplement should have a substantial positive impact on the three main indicators (qualifications, recruitment and retention). Positive impact on subsidiary indicators such as enrolments in ECE training programs, perceived difficulty in finding staff or satisfaction with pay might also be expected. However, the reality is that, since 2002, most of these indicators have declined. The following are some of these

indicators:

- The main positive indicator is the growth in the total number of centres and spaces available. It is not clear if there is any link between this growth and the existence of the supplement, particularly since most of the growth has been driven by expansion of multiple licence holders. It is possible that these owners have believed that the supplement would make it easier to staff their operations, thus facilitating expansion, though this is not supported by the data.
- A further positive indicator is that a majority of respondents believe the supplement is having a positive impact on upgrading and on encouraging staff to remain in the field.
- While there has been some growth in the total number of Level II certified staff, the number of new certificates being issued each year has declined slightly.
- There has been considerable increase in Entry Level certifications, the group that is not eligible for the income supplement but is eligible for the Entry Level supplement which provides direct assistance towards upgrading to Level I.
- There is a substantial rate of non-renewal of certificates, with more than 500 of a total of about 1,900 certified since 2000 no longer active.
- Pay levels, independent of the supplement have increased at a rate that is less than the rate of increase in the minimum wage since 2002.
- The data on turnover rates is ambiguous. The actual turnover rate reported in 2008 was actually slightly lower than in 2002. However, more owners/licensees reported high turnover and fewer centres reported being fully staffed than in 2002.
- Respondents reported greater difficulty in recruiting in 2008 compared to 2002 and the number of applicants per advertised position has decreased.
- More owners/licensees cited salary levels as the reason for staff leaving in 2008 than in 2002. Most respondents generally consider salary levels to be inadequate, even with the supplement.

- Admission to and graduation levels from full-time ECE training programs have declined slightly in recent years.
- New enrolments in the distance education program have declined but the number graduating (which reflects enrolments several years earlier) has remained fairly constant.

Taking all of these results into consideration, the general conclusion must be that the supplement is not having sufficient impact to offset the various disincentives to enter the field, remain or upgrade. The growth of qualified staff is insufficient to keep up with growth in the field. In any event, it is not possible to make a causal link between staff levels and qualifications and the existence of the supplement. In general terms, the supplement cannot be said to be achieving its broader policy purposes particularly well.

Having said that, it must be emphasized that the supplement may be having other impacts that might be considered desirable. It is certainly adding significantly to the income of an occupational group that is generally recognized as not being rewarded at a level commensurate with its value to society. Given that there is a strong public as well as private interest in providing child care in settings other than the home, expenditures of this nature can be defended on the grounds of their contribution to keeping the private cost of such care at an affordable level. The supplement has become an established part of the income of child care staff. It would be difficult to withdraw the supplement at this point unless some other means were to be devised to maintain at least current income levels for child care staff. Consideration of other means would require policy changes that would likely affect the structure of the system.

### **Administrative Issues**

All other jurisdictions in Canada provide some form of subsidy to the child care sector. This is often linked to income enhancement, though not always as explicitly as is the case in this province. Some background on the genesis of the current system of direct payments to individuals was presented in the 2003 evaluation report. Informants in this study who were involved at the beginning reiterated that this was based on advice from other jurisdictions and reflected concerns with accountability for funds transferred to centres instead of to individuals. Indeed, the information available from other jurisdictions indicates that not all of the wage enhancement funds go directly to staff. Direct payment ensures that this is the case.

A shift to making payments to centres would have advantages and disadvantages. The main advantages would be reduced administrative workload for government and the ability to include the supplement directly in wages, thus reducing delays in payment and allowing the supplement to count towards EI and CPP benefits. The main disadvantage, as evidenced by the situation in other jurisdictions, would be reduced accountability (or a need for more elaborate accountability measures) and the possibility that not all of the funds would go directly to staff. Including the supplement in wages would also trigger employer costs for CPP and EI contributions, which would likely result in pressures for increased payments to cover the employee and employer share of these costs.

In the absence of structural changes to the system, there appears to be no compelling argument for changing to a system of wage enhancement payments to centres. There is no strong criticism of the current system, and some of the administrative concerns expressed by respondents can be addressed by further streamlining of the administrative processes, although it is not clear that the CPP/EI issue can be addressed under the existing system.

### **Structural Issues**

There are only two ways to increase the number of staff with higher qualification levels. One is to attract larger numbers of candidates into the pre-service ECE training programs and the second is to make it attractive for those now in the field to upgrade. Neither of these is happening at the moment on a scale sufficient to make a difference to overall qualification levels, especially in the face of expanding demand for staff.

On the first option, while we did not study in detail the attractiveness of ECE as a post-secondary option, this was investigated in the IAS study. We can simply reiterate that salary levels and working conditions in this field remain unattractive despite the supplement, and note that the pool of high school graduates is diminishing. In addition, young women, who make up the main candidate pool are being attracted to university studies in ever greater numbers, to the point where women form a substantial majority of those entering university studies. Compared to public school teaching, the profession which is perhaps closest to ECE in meeting a desire to work with children (and which the ECE certification system seems to emulate), ECE remains a singularly unattractive option.

As for encouraging existing staff to upgrade, the CNA distance education program has been designed specifically for that purpose. However, we heard from a number of respondents that it is difficult to undertake this program while working full time, especially under the conditions prevailing in many child care centres. Taking one or two courses per year requires a long-term commitment to reach completion. Even reaching Level I requires more than the equivalent of one-year of study. The payoff (in slightly increased pay and in the supplement) from completing the program this way remains a long way off for most staff. The numbers now entering and graduating from the program are insufficient to make any substantial impact on qualifications for the ECE work force as a whole. As for talking time off and entering the program full-time, it is doubtful if many could afford this and the lost income would take some time to recover from the increased pay.

In principle, the use of supplements, and related incentives such as bursaries, is consistent with the logic of government policy to encourage upgrading to Level II. While the regulations require only entry level qualifications for staff who are not in operator or lead positions, the supplement is geared to encourage upgrading beyond the statutory requirement. This obviously reflects a longer term view that qualifications beyond the current minimum are actually desirable.

This study had no mandate to examine fees, revenues or profits. However, it is by no means clear that fees can be raised sufficiently to bring the salary levels of child care personnel to a level needed to make the field more attractive as a career choice. On the other hand, increasing the level of public subsidy of pay levels raises questions about whether this would make child care effectively a public enterprise. This is an ongoing debate within provinces and at the federal level in Canada. The mandate of this study did not extend to examining the merits of a public versus a private system, and we avoid extending the conclusion about the supplement to a broader conclusion about the overall functioning of the system.

All of this, along with the minimal impact that the supplement has had on improving staff numbers or qualifications, raises the question of whether the difficulties being encountered are related to the structure of the regulated child care sector. This is true not only for this province but for the country as a whole, since it is clear that many other jurisdictions are encountering similar difficulties. Both federal and provincial government policies are involved here, since the federal government contributes in various ways to this sector.

The results of this study indicate that pay and working conditions will need to be improved substantially if the child care field is to be considered a credible alternative to other careers available to those entering college level post-secondary programs. While love of children might be an overriding factor for some, this is not sufficient to attract and retain individuals at the level of qualification expected by government policy. Under the current structure, it is difficult to see how significant changes in pay and benefits can be brought about without substantially increasing the level of government intervention in what is mainly a private sector field. Intervention at the level needed brings the system closer to being mainly publicly-supported. It is difficult to reconcile that direction with continuation of a mainly private sector enterprise.

Given the narrow mandate of this study, it is not possible to make recommendations around the structure of the system or even around the issue of substantially increasing the level of government subsidy. Nevertheless, we must conclude that it will be difficult to improve significantly the circumstances of those working in the child care sector unless significant structural change is contemplated. Up to now, there seems to be no political consensus on this issue either nationally or provincially. It is noted, however, that the provincial government seems to have been incrementally increasing its financial contributions to the sector and has now begun the development of a ten year strategic plan for child care. This should afford the opportunity to consider the type of structural change needed to bring about the improvements in both access and quality that are needed but which are not being achieved under the current system.

We understand that government is committed to developing a long term strategic child care plan for the province. That gives an obvious opportunity to examine the structure of the system, including the public/private issue and the need for expansion of child care services. Issues of staff qualifications, education and training pathways and making the sector more attractive as a career option would also have to be part of any structural review. It seems to make more sense to move ahead with such a broad review rather than attempting to make further incremental changes to the supplement or other aspects of public involvement in the existing system.

## Recommendations

In the absence of structural change, there seems to be only one way to increase the impact of the supplement. That would be to increase the level of supplement to the point where a decision to enter and stay in the regulated child care field becomes a viable alternative to other choices available to young people who are contemplating post-secondary studies. Since the substantial incremental increases that have already been made are not showing the desired effects, we are forced to conclude that any increase sufficient to have an impact would have to be so large that government would effectively become the primary payer. This, in itself, would raise such important policy questions that it would not be plausible to recommend such an increase in the absence of a much more comprehensive review of both structure and cost.

The alternative conclusion is that the lack of significant impact implies that the supplement should be discontinued. Unfortunately, we have no way to know if things would be worse had the supplement not been introduced in the first place. However, now that the supplement has become an established part of the remuneration of child care staff, it would be difficult to withdraw this source of income. It is not implausible to suggest that withdrawal would now have a negative impact on recruitment and retention, given the already marginal level of incomes.

### Recommendation 1

**That the ELCC supplement and associated provincial incentives for regulated child care staff be continued but that no further changes in structure or amounts be introduced in the absence of a larger policy review designed to address the nature of public support for the child care sector.**

The only other issue requiring recommendation relates to some of the details of administration. It is noted that the previous evaluation made a number of recommendations in this area and that some changes have been made to the system since that time. Although this study has indicated that there is a reasonably high level of satisfaction with the system, some of the concerns heard in the previous study remain. In our view, most of these may be addressed by relatively small changes, involving further streamlining of the application process. Specifically, this would require greater automation of the process, which would



allow basic information to be collected once and kept on record for future applications. During the interviews, the point was made that creating a data base for the system would involve considerable work up-front and that staff are not available to carry out such work. However, in our experience, most of what is required could be accomplished by a simple database system, into which the core information is entered once and incremental information entered at each application period. Aside from streamlining the application process, this would also facilitate record-keeping and permit summary and trend reports to be more readily produced.

## **Recommendation 2**

**That a database be developed that would allow core information to be collected once and incremental information allowing computation of the supplement amount to be added at each application occasion.**

A second area of concern over administration relates to the need for precise accounting for hours worked and the lack of payment for periods of leave. It is difficult to see any way around this, as long as the system is tied to hourly pay. It would be difficult to argue that the supplement should be treated as if it were based on an annual salary, which includes leave provisions. On the other hand, it would be appropriate to pay the supplement for any time the employer considers to be paid time. This would include paid vacation, sick leave or other short-term leaves. It would not, however, include maternity leave, which seems to be the major point of contention.

Also related to this is the question of eligibility of the supplement for EI and CPP contributions and benefits. Given that the actual impact of the supplement is more related to income enhancement than to the intended policy goals, a case can be made that the supplement should be treated in the same way as any other income. However, we understand that this can only be done if the funds are transferred to employers and included directly in staff wages. The issues around accountability, along with the likelihood that this would increase costs or reduce direct benefits, are sufficient to justify continued treatment of the supplement as a bonus, paid from a source other than the employer.

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