



Submission on early learning and childcare in New Brunswick

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The New Brunswick Women's Council is an independent advisory body for study and consultation on matters of importance, interest, and concern to women and their substantive equality. Its objectives are:

- a) to be an independent body that provides advice to the Minister on matters of importance to women and their substantive equality;
- b) to bring to the attention of government and the public issues of interest and concern to women and their substantive equality;
- c) to include and engage women of diverse identities, experiences and communities, women's groups and society in general;
- d) to be strategic and provide advice on emerging and future issues; and
- e) to represent New Brunswick women.

In delivering on these objectives, the Women's Council may conduct or commission research and publish reports, studies, and recommendations. The Women's Council is directed by an appointed volunteer membership that includes both organizations and individual women. The work is executed by a small staff team.

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About this submission

The New Brunswick Women's Council is pleased that accessible, quality early learning and childcare (ELCC) for pre-school aged children is a priority for both the federal and provincial governments. While the [2021-2026 agreement](#) between Canada and New Brunswick is signed and the accompanying [2021-2023 action plan](#) has been released, there are still critical elements of implementation that need to be further developed. To support this, our submission aims to identify the gaps and tensions in what has been laid out in the agreement and action plan. We focus specifically on the issue of public management for licensed ELCC.

ELCC in New Brunswick

New Brunswick is working to move away from a market model of childcare and toward a true system of ELCC. The Canadian [Childcare Resource and Research Unit](#) (CRRU) explains what a market model entails:

A child care market model is characterized by low levels of public funding with heavy reliance on parent fees, demand-side public funding (vouchers/cheques/tax measures/individual parent fee subsidies), and limited public management and planning. In a market model, child care is treated as a commodity, not a right or entitlement, is not systematically planned and is not treated as a public good or part of the social infrastructure.¹

The market model results in deep inequity in terms of access to ELCC. Whether spaces exist, whether they are accessible in terms of cost, and whether care is high quality are all driven by the market. This is unacceptable when ELCC is critical to [women's participation in the workforce](#) and [an important tool in evening the playing field for marginalized children](#). Under the market model, ELCC staff—the majority of whom are women—are also undercompensated as most facilities generate little financial surplus.

How far along is New Brunswick in shifting away from a market model? The agreement and the action plan both frame ELCC as social infrastructure and note that it is increasingly publicly managed. There have indeed been significant gains, notably through government² wage contributions, regulatory updates that require facilities to use a provincial curriculum, and the creation of the voluntary Designation Program. The Designation Program provides increased funding directly to facilities; caps fees and sets additional requirements around quality; and offers increased income-based subsidies for families.

Despite this positive movement, ELCC in New Brunswick is still better described as publicly *regulated* than as publicly *managed*. The Department of Education and Early Childhood Development "[licenses, renews, monitors and investigates early learning and childcare facilities](#)" and provides significant funding, but the facilities that deliver ELCC are private, not a part of government. There are two kinds of facilities: centres and homes. Centres provide the majority of care, accounting for 96.3 per cent of spaces. Centres can be

¹ Martha Friendly, Rachel Vickerson, Sophia S. Mohamed, Laurel Rothman and Ngoc Tho Nguyen, "[Risky Business: Child care ownership in Canada, past, present and future](#)" (Childcare Resource and Research Unit, 2021), p.6.

² Unless otherwise noted, all references to government mean the Government of New Brunswick.

non-profit³ or for-profit; all homes are for-profit. The action plan explains that New Brunswick has “a hybrid version of early learning and childcare in that private operators provide the care but receive wage subsidies linked to training for employees.”⁴ This is public support and regulation, not management.

This distinction matters—as does the fact that the majority of ELCC in New Brunswick is for-profit. Even with measures in place to try to ensure consistency in the sector, the private model of delivery and the prevalence of for-profit facilities impacts the availability and distribution of spaces; the compensation of educators and other staff; the involvement of families and communities; and the quality of services.

To truly transform ELCC from a market-driven sector to a publicly managed system, we have to reckon with this. In the following sections, we explore why:

- In *Availability and distribution of spaces and Conditions of work and compensation for early childhood educators* we examine elements of ELCC in New Brunswick that indicate that the sector is not publicly managed and what impact that has.
- In *For-profit and non-profit facilities* we review the impact that the prevalence of for-profit service delivery has and why a shift to a non-profit sector is necessary.
- In *Toward publicly managed social infrastructure* we explore tensions in the agreement and action plan.

We conclude with recommendations.

Availability and distribution of spaces⁵

The availability and distribution of ELCC spaces is largely determined by providers. They choose to operate facilities based on their analysis of demand. They aren't obligated to create equitable access to ELCC on the basis of language, geography, etc. in the way that public services are.

According to the action plan, the current ELCC coverage rate for New Brunswick is 47 per cent.⁶ This means that there are 4.7 licensed ELCC spaces for every 10 children. That's a provincial number, however; coverage rates will be higher in some communities and lower in others. The action plan states that 16 per cent of New Brunswick communities have coverage under 25 per cent (2.5 spaces for every 10 children).⁷ According to the [Canadian Center for Policy Alternatives](#) (CCPA), areas with coverage of less than about 30 per cent are *childcare deserts*.⁸

³ Following the practice of sources we cite, we use the term *non-profit* and *not-for-profit* interchangeably in this submission and with the intention of referring to [both non-profit and charitable centres](#).

⁴ Government of New Brunswick, “[Canada-New Brunswick Canada-Wide Early Learning and Child Care Agreement New Brunswick Action Plan 2021-2023](#)” (New Brunswick, 2021), p. 1.

⁵ We don't focus on accessibility due to cost to families in this submission as this issue has been significantly addressed through the Designation Program (via fee caps and increased subsidies) and there is a plan to reach \$10-a-day ELCC by 2025-2026.

⁶ P. 18. Unless otherwise noted, all statistics in this submission are for pre-school spaces and facilities that include pre-school care.

⁷ P. 18.

⁸ David Macdonald, “[Child Care Deserts in Canada](#)” (Canadian Center for Policy Alternatives, 2018), p. 8.

The action plan states that many of these low-coverage communities are rural. It notes that “Many rural communities in New Brunswick have a higher level of seasonal employment which can have an impact on the demand for services.”⁹ Being located in an urban setting does not guarantee access to spaces either, though. A Fredericton ELCC facility [recently reported](#) having a waitlist of over 100 children for 2022 and has already begun waitlists for 2023 and 2024.

The agreement and action plan recognize this is an issue and commit to creating 3 400 new spaces. The action plan also affirms that “[t]he creation of these new spaces will have a particular focus on the greatest areas of needs such as infant spaces, rural communities, and vulnerable children...”¹⁰ and touches on flexible hours of care.¹¹ It also says that

Investments will support the creation of spaces for vulnerable children and children from diverse populations, including but not limited to children living in low income; Indigenous children; Black and other racialized children; children of newcomers to Canada, and official language minorities.¹²

The agreement further clarifies that “vulnerable children and children from diverse populations” also include “lone-parent families, and families in underserved communities... families of children with disabilities and children needing enhanced or individual supports; and families with caregivers who are working non-standard hours.”¹³ It states that these children and families will “have spaces equivalent to or greater than their share of the population in the province or territory.”¹⁴

To accomplish this, the action plan speaks to “exploring innovative solutions to modernize space creation”¹⁵ and states that New Brunswick will “develop a strategic approach to space creation and will be able to identify the communities with the greatest needs to ensure greater public management of child care services.”¹⁶ It doesn’t, however, address how it will do this given that service delivery is entirely private.

Conditions of work and compensation for early childhood educators

Sectors where care is the primary service provided are disproportionately staffed by women. The ELCC sector is no exception with women comprising [95 per cent of the Canadian workforce](#). Jobs and sectors that are dominated by women are typically both [undervalued and underpaid](#).

Having a well-supported and justly compensated ELCC workforce is critical—not just for the staff themselves, but also for the children they educate and care for. As caregiving and disability justice advocates have long noted, the conditions of work are also the conditions of care.

⁹ P. 18.

¹⁰ P. 19.

¹¹ P. 19.

¹² P. 18.

¹³ Section 2.2.5.

¹⁴ Section 2.1.1.

¹⁵ P. 19.

¹⁶ P. 15.

To support recruitment and retention of early childhood educators (ECEs), hourly wages under the agreement [increased](#) on April 1, 2022 to \$23.47 for trained ECEs and \$16.79 for untrained ECEs in designated facilities. The action plan also reports that ECEs have named working conditions, hours of work, and pension and health benefits are also important elements in efforts to recruit and retain them.¹⁷

While these wage increases are welcome, it is unclear if they constitute pay equity. New Brunswick's pay equity legislation doesn't extend to the private sector, but workers in [some community-based caregiving sectors](#), including ECEs, receive pay equity adjustments from government (flowed through their employer). When government's [pay equity evaluation for ECEs concluded in 2012](#), the [New Brunswick Coalition for Pay Equity expressed concern](#) that the methodology used to determine the adjustment amounts was flawed, resulting in wages that are too low. If the assessments or adjustments for ECEs have been revisited since they were first made in 2012, it hasn't been shared publicly. Evaluations are not one-time exercises; they should be updated as jobs evolve over time.

The current state of ECE compensation is a strong indication that ELCC is not a publicly managed system. If it were, there would be more disclosure on how wage rates were reached. We would also potentially see other working conditions for ECEs improve as they gained proximity to the public sector. We turn again to the work of the CCPA to help unpack this assertion.

In a research paper addressing wage gaps, the CCPA explains that gaps based on gender and race are smaller in the public sector than they are in the private sector. Their research demonstrates that "Salaries are higher in the public sector precisely for those groups of people who experience the greatest discrimination in the private sector—because the public sector goes further in correcting those discriminatory practices."¹⁸ They attribute this to a few factors:

Unionization and access to collective bargaining is strongly correlated with a reduction in wage inequality. Access to benefits such as paid parental leave, family leave and sick leave also reduce the gender wage gap by addressing the double burden of unpaid care work borne by female workers. Finally, pay equity legislation has an evident impact on reducing discrimination and inequality. None of these elements are found exclusively in the public sector. However, the public sector has a higher concentration of all three factors—with higher rates of unionization, family leave benefits, and the legislated monitoring and regulation of pay equity.¹⁹

To illustrate the difference in compensation between public and private employment, we note that with their qualifications ECEs [can and do](#) pursue opportunities as unionized educational assistants (EAs) in schools. The current [wage rate for EAs is \\$32.45 an hour](#) and they have access to health and retirement benefits.

¹⁷P. 22.

¹⁸Kate McInturff and Paul Tulloch, "[Narrowing the Gap: The Difference That Public Sector Wages Make](#)" (Canadian Centre for Policy Alternatives, 2014), p. 5.

¹⁹P. 6.

For-profit and non-profit facilities

Having established that ELCC in New Brunswick is not publicly managed, we now turn to exploring the impact of the prevalence of for-profit facilities. The proportion of for-profit ELCC facilities and spaces in New Brunswick is unique compared to other provinces and territories. In New Brunswick:²⁰

- counting both centres and homes, 77.2 per cent of facilities and 70.7 per cent of spaces are for-profit; and
- counting centres only, 71.3 per cent of centres are for-profit and 69.6 of spaces are for-profit.

According to 2019 numbers that include afterschool care, for-profits make up just 28 per cent of centre-based care in Canada.²¹ Looking at that data province-by-province, New Brunswick is among the jurisdictions with the highest amounts of for-profit care.

Broaching the topic of non-profit vs for-profit ELCC facilities in New Brunswick usually leads to discussion about how for-profits facilities aren't really making profits. Non-profit or for-profit, no one is in it for the money and facilities are all guided by the same requirements at the end of the day, so what is the difference?

It's true that for-profit facilities have minimal profit margins. ELCC simply isn't a money-making venture as there's considerable cost involved in meeting regulations. It's also true that all facilities must adhere to the same set of regulations—and most facilities are also participating voluntarily in the Designation Program, which imposes fee caps and additional requirements related to quality. All facilities also receive government support to pay their ECEs, so according to the action plan wages are comparable across facilities.²² Given this, does it matter whether delivery is by for-profits or non-profits? It does—with family and community involvement, as well as quality, being the areas of concern.

Family and community involvement

For-profit and non-profit entities have different structures that are important to understand when discussing ELCC—and the differences aren't simply about whether an entity generates profit or not.

Organizations that operate on a non-profit basis are, [as per the Government of Canada](#), created for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit (or, if they are charities, for charitable activities and purposes). Non-profits have members; these members elect a board of directors to govern the organization according to its purpose. When there are surplus funds, they are not paid out to directors or members, but reinvested in the organization.

²⁰In its tables, the action plan counts childcare homes as non-profits despite the fact that they are for-profit. For this submission, we produced our own table which count homes as for-profits; it is included as an appendix. Our concerns with homes being counted as non-profits are addressed in the *Toward publicly managed social infrastructure* section.

²¹Childcare Resource and Research Unit, "[Building capacity in the non-profit childcare sector](#)" (Childcare Resource and Research Unit: Moving from private to public processes: A series on creating child care in Canada, 2022), p. 6.

²²There is Canadian research indicating that non-profit facilities provide a better employment experience than for-profits. The CCRU [explains](#): "Key differences between non-profit and for-profit child care have been identified with regard to child care workforce issues, where non-profits invariably are rated better: wages, benefits, working conditions, staff turnover, morale, satisfaction and education levels."

For-profits are structured differently. Rather than members, they have shareholders—even if it’s just a sole owner who is the lone shareholder. If a for-profit has a board, it is responsible to the shareholders. Surplus funds become profits that can be issued to shareholders.

Given the fee caps in place through the Designation Program and government support of ECE wages, the crux of the issue isn’t profit—it’s governance. The non-profit model, while still private, is about collectivity and social purpose; directors and members steward an organization for the benefit of the people and communities it serves. The for-profit structure, on the other hand, allows for a concentration of decision-making and power in a single owner-operator—this simply doesn’t align with our societal approach to education as a public good. Considering the public investment that ELCC requires, it’s also not responsible management of public funds.²³

At the end of the day, ELCC doesn’t work as a for-profit business and the for-profit business model doesn’t work for the kind of ELCC we’re striving to build. For ELCC to truly become publicly managed social infrastructure, moving away from for-profit delivery is an important step.

Quality of services

Research consistently shows that non-profit facilities provide higher quality than for-profit facilities. Non-profit centers have been found to score higher on measures relating to the classroom environment (including activities, materials, and teaching interactions)²⁴ and workforce.²⁵ This is not a critique of any individual providers’ services, but rather the findings of repeated analyses of the issue.

New Brunswick has taken various steps to ensure that all ELCC services in the province are of comparable quality. All facilities must follow a provincial curriculum, either in French or in English. All designated facilities follow additional measures related to quality. One of the goals of the creation of the Designation Program was in fact, as per the action plan: “to ensure the application of best practices across all facility types. The approach is to instill a culture of continuous quality improvement ensuring early childhood education for young children and bringing greater consistency across the province.”²⁶

These measures may have minimized gaps in quality between for-profit and non-profit facilities—the issue is that we don’t have research on this. The action plan makes frequent references to measures that are in place to ensure quality across-the-board, but it doesn’t speak to outcomes of these measures with any specifics. It is noticeable that the action plan takes care to point out that fees and wages are comparable between for-profit and non-profit facilities but doesn’t venture into making comparisons based on quality.²⁷

²³ The Designation Program requires facilities have Parent Committees. These committees do not make up for the differences in purpose and power structure between non-profits and for-profits.

²⁴ Gordon Cleveland and Michael Krashinsky, “[The Nonprofit Advantage, Producing Quality in Thick and Thin Child Care Markets](#)” (*Journal of Policy Analysis and Management*, 28, 3, p.440 - 462, 2009).

²⁵ Friendly et al., 2021, p. 36.

²⁶ P. 18.

²⁷ P. 18.

Toward publicly managed social infrastructure

In a number of places, the action plan speaks to maintaining the current ELCC model, not evolving it. It explains how the provincial government prioritized reaching an agreement in which “our early childhood sector would *remain* modern and progressive”²⁸ and was “specifically structured to support the *existing* sector in New Brunswick”²⁹ (emphasis ours in both quotations). The plan also underscores the contributions of for-profit facilities and notes the measures that are in place to ensure comparable quality across all facilities. It explicitly names that fees and wages are comparable between for-profit and non-profit centres.

Despite this, the details of the agreement and action plan emphasize increasing non-profit care. The action plan says that of the 70 per cent of the 3 400 spaces to be created in coming years will be “in not-for-profit and home-based care providers within the New Brunswick Early Learning facility designation.”³⁰ Given that home-based care currently comprises only 3.6 per cent of current spaces, this likely means that most new spaces will be created in non-profit centres. The plan also speaks to “supporting the voluntary transition of for-profit facilities into the not-for-profit model.”³¹

The agreement and plan indicate that government knows that a shift to increased non-profit delivery is needed, but it’s also clear that government isn’t willing to explicitly say so. This concerns us. More worrying is that government may be attempting to leave the door open to back away from this shift if need be. This can be seen most clearly in the action plan’s caveat to allow a higher number of new spaces to be for-profit if needed:

Notwithstanding efforts to focus space creation predominantly in not-for-profit and home-based child care providers, should New Brunswick see a demonstrated need to create more than 1,000 spaces in the for-profit sector to better meet the needs of New Brunswick families, New Brunswick will bring forward a plan to create additional spaces in the for-profit sector...³²

The agreement and plan also don’t detail how government will support the voluntary transition of existing for-profits into non-profits. Instead, the plan only mentions “a research study in 2022-2023 to identify barriers and potential strategies to foster greater not-for-profit participation in the publicly managed system and include potential options in the next Action Plan.”³³

There are also attempts to blur the line between non-profits and for-profits. First, in reporting on current facilities and spaces, the action plan counts childcare homes, which are for-profit, as non-profits. The action plan and agreement also pair non-profit centres and homes together when speaking about space creation. Second, the agreement and action plan use the language of “social purpose organizations.” This term applies to both non-profit and for-profit facilities and **denotes** “organizations with a mission to advance

²⁸ P. 1.

²⁹ P. 1.

³⁰ P.19. This is also referenced in the agreement in section 1.2 b, 2.1.1 and implied in 6.2.viii.

³¹ P.19. This is also referenced in the agreement in section 6.2.vii.

³² P.19. This is also referenced in the agreement in section 6.2.viii.

³³ P.19. This is also referenced in the agreement in section 6.2.vii.

social or environmental objectives.” The action plan also speaks to “moving from a market driven system toward a more social entrepreneurial mindset.”³⁴

We are concerned that government may be laying the groundwork to simply reframe for-profit facilities as non-profits if need be, so long as they are “social purpose organizations” or show a spirit of “social entrepreneurship.” This is an issue because, as we have explained, structure matters. For-profit facilities that are small-scale childcare homes or socially-motivated centres are still structured in ways that pose governance problems for ELCC as a form of education and publicly managed social infrastructure. In hedging its commitment to shifting toward a non-profit ELCC sector, government is undermining the necessity of this transition.

Recommendations

In response to government’s question on a path forward in ELCC, the Women’s Council recommends that government:

- Clearly commit to shifting toward a non-profit ELCC sector and outline concrete ways in which it will be not only publicly regulated and supported, but managed—particularly in terms of space creation and distribution.
- **Co-create** a roadmap for this shift with the existing ELCC sector. This plan must be respectful of owner-operators of existing for-profit centres; equitable financial compensation for any losses resulting from this shift must be provided.
- Put equity at the heart of ELCC. The creation and distribution of new spaces needs to be considered along the lines of urban and rural communities, but also in terms of a variety of other factors. We must account for children with disabilities, families’ cultural and linguistic needs, and parents who work outside of traditional operating hours. To be equitable, ELCC environments must be culturally affirming, anti-racist, and 2SLGBTQIA+ affirming.
- Commission research into the quality of ELCC in New Brunswick in order to support the shift to a non-profit system, as well as a sector grounded in equity. This research should consider whether there are differences in quality:
 - ▶ between for-profit and non-profit facilities (particularly in centre-based ELCC);
 - ▶ based on the curriculum that is used (i.e. English or French);
 - ▶ for children and families who are racialized, 2SLGBTQIA+, Indigenous, disabled, etc. and those who are not;
 - ▶ regionally;
 - ▶ between urban and rural facilities; and
 - ▶ any combination of the above.

³⁴P. 5.

- Apply Gender-Based Analysis Plus (GBA+)³⁵ to all aspects of ELCC development and publicly disclose information generated by these analyses. The Women’s Council has consistently recommended that as a matter of transparency and accountability government should publicly share more information on its use of GBA as well as information generated by GBA processes. In 2021 and 2022, government made strides on this by publishing a Gender Impact Statement (GIS) as part of the budget. Budget development is one of government’s most opaque processes—which means that if a GIS can be produced for the budget, similar statements could be produced for other decisions and policy processes, including the implementation of the action plan.

Appendix

Breakdown of childcare spaces and facilities in New Brunswick (as of September 1, 2021)

Adapted from the *Canada-New Brunswick Canada-Wide Early Learning and Child Care Agreement New Brunswick Action Plan 2021-2023* (numbers are tabled to reflect that childcare homes are for-profit).

	Facility type	Number of Facilities	Spaces
For-profit	Centres	339 <i>(305 of these are designated)</i>	10 885 <i>(10 222 of these are in designated centres)</i>
	Homes	123 <i>(94 of these are designated)</i>	597 <i>(457 of these are in designated homes)</i>
Non-profit	Centres	136 <i>(119 of these are designated)</i>	4745 <i>(4 344 of these are in designated centres)</i>

³⁵ GBA+ is a tool used to assess how specific populations may experience policies, programs, and initiatives differently than others. GBA+ goes beyond sex and gender to consider intersecting factors that shape individuals’ experiences, including age, location, race, ethnicity, culture, disability, and language. It is an essential part of effective, equitable, and evidence-based public policy.