NORTHERN CHILDCARE:
Childcare as Economic and Social Development in Thompson

CHILD CARE COALITION OF MANITOBA
www.childcaremanitoba.ca
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Childcare contributes $2.1 million directly to the Thompson economy. As childcare revenue “ripples” through the economy, it brings total direct and indirect benefits of nearly $3.4 million. Every $1 spent on childcare returns $1.58 to the Thompson economy.

Childcare in Thompson is in crisis—with a marked decline in total spaces and facilities over the past few years. Today, there are just 337 spaces to serve the city’s 3,290 children aged 0–12. This amounts to a low access rate of 10.2 percent, worse than the provincial average of 14.3 percent. Two childcare centres have closed since 2004, and a third is slated to shut down this summer.

The childcare crisis is hurting the Thompson economy, and is prompting local action and extensive media coverage. Childcare is under-developed despite an extensive research evidence base that documents its many contributions to children, families, women, the Aboriginal community, the economy, and the labour force, as well as its ability to combat poverty and support the north.

Thompson has long waiting lists, high parent fees, and a restrictive subsidy system. Many parents need extended hours care, which is currently unavailable. School age service is particularly inadequate. Thompson confronts a dire shortfall of trained early childhood educators: six of the seven centres cannot meet the provincial requirements for trained staff. Low wages and benefits are the main culprit behind the staffing crisis. Historically, access to childcare has been low in the north, and services have been fragile. Causes of this instability lie in the lack of a public mandate to ensure childcare provision, an exclusive reliance on community delivery of childcare, and low levels of public funding.

Even at its current small size, the childcare sector is valuable. Childcare contributes $2.1 million directly to the Thompson economy. As childcare revenue “ripples” through the economy, it brings total direct and indirect benefits of nearly $3.4 million. Every $1 spent on childcare returns $1.58 to the Thompson economy; in the long-term, the payback is even higher.

Thompson parents are the biggest spenders on childcare, contributing 60 percent of total revenues. Parent fees are an estimated $1.3 million, and having childcare enables parents to earn an estimated $18.8 million in wages. More accessible and affordable childcare would enable more women to work, providing some relief to local labour shortages and promoting women’s greater financial security. The childcare sector also provides jobs, mainly to women. There are 69 full and part-time childcare workers in Thompson, and the sector creates a further 34 full time equivalent jobs.

We find that more childcare services are needed in Thompson. An additional 1,405 spaces are required in order to meet the target of providing half of Thompson’s youngsters with access to early learning and care. Childcare must become more affordable and accessible to families, and the quality of care must increase. In particular, services must be more inclusive and responsive to Aboriginal families, who make up a growing share of Thompson’s population, as well as to children with special needs. The ECE labour force must be better supported and resourced, with more access to training. We calculate that Thompson needs a minimum of 179 additional trained early childhood educators, who will be recruited and retained when wages and benefits are improved.

Childcare means business in the north, offering impressive benefits to children, families, and the Thompson economy. Childcare is a valuable investment in today and tomorrow.
Most people are aware that childcare supports parents, particularly mothers, and is a key element in women’s equality and work-family balance. But there is much more. Childcare services are part of modern family life. Over half of all children, according to Statistics Canada, are cared for by someone other than their parents [1]. However, few children have access to regulated care—the care that is considered developmental early childhood care and learning.

In 2006, the Child Care Coalition of Manitoba initiated a trio of economic and social impact studies to document the contributions made by the childcare sector. Such an approach is new in Canada.
Over half of all children are cared for by someone other than their parents. However, few children have access to regulated care—the care that is considered developmental early childhood care and learning.

hope that this report contributes to the local and provincial policy dialogue about childcare development.

In preparing this report, we consulted with expert stakeholders. Our Thompson Advisory Council included elected officials and leaders from community and economic development, Aboriginal, business, education and training, women’s, child-centred and labour organizations. We are proud to announce the members:

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Susan Prentice, Ph.D. (Associate Professor, Sociology, University of Manitoba), was the project’s Principal Investigator. Molly McCracken, MPA, worked on the latter phase of the project, including data analysis and literature review. Nikki Isaac, MA, coordinated the first phase of data gathering and early analysis. Thelma Randall, BHEC, provided financial management.

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Thompson is experiencing a childcare crisis. The *Thompson Citizen* has carried no less than ten stories featuring childcare over December 2006–February 2007. Over Labour Day, the weekly paper devoted a full three-page feature to childcare, also front-page, above-the-fold news. Thompson citizens are actively working on the childcare file. One group is currently proposing a $1.5 million 93 space initiative, under the auspices of a community-based Childcare Advisory Committee. The Burntwood Regional Health Authority, The School District of Mystery Lake and the Thompson Urban Aboriginal Strategy Committee have expressed an interest in the project, and City Council has “applauded its efforts” [4–6]. Concurrently, in the business sector, INCO’s joint Employee Benefits Cost Review Committee identified lack of childcare as a workplace problem. As a result, INCO has struck a special advisory board, commissioned research by North Central Development and is considering options. In the meantime, Kiddies Northern Preschool, slated to close in the summer of 2007, is “fighting for its survival” [6].

The childcare crisis is hurting Thompson’s economy. The town’s largest employer has recognized the problem [7]. School trustee Valerie Wilson has noted that “new industry can’t be attracted without more daycare facilities and spaces” [8]. Post-secondary institutions have found that many students “become discouraged” and “might have to quit school between housing and childcare.” Combined, the city’s two largest centres (Riverside and Thompson Children’s World) have a waiting list of 168 names, many more than the centres’ combined licensed capacity of 118 children [8].

There’s more:

“Thompson is in an economic boom, and daycare is under-serviced” [6];

“Parents face a shortage of daycare spaces” [9];

“Thompson: Improved economic prospects, but infrastructure languishing” [10];

“As many parents know all-too-well, there’s a chronic shortage of daycare spaces in Thompson” [5];

“The long waiting lists and the shortage of spaces and qualified early childhood educators—these are common complaints when it comes to daycare service availability in Thompson” [4].

Childcare service in Thompson is in demonstrable decline. In 2000, the town had better than average access to childcare [11]. Since then, conditions have deteriorated. In 2004, Thompson lost 90 spaces with the closing of the Y’s childcare program. In summer 2006, Juniper Preschool shut its doors, and in early 2007, a licensed family childcare home also closed. The net result is that today, Thompson has just 337 spaces for its 3,290 children—or access for just 10.2 percent of the city’s children. Thompson’s access rate is well below the Manitoba average of 14.3 percent and much worse than Winnipeg’s access rate of almost 17 percent [12, 13]. The situation is expected to worsen in summer 2007, when Kiddie’s Northern Preschool is slated to close.

Tim Sale, Manitoba’s former Minister of Family Services and Housing, once explained why children’s development mattered so much: the early years, he wrote,
By focusing investment and support during children’s early years, governments have the opportunity to affect both immediate benefits to children and long-term benefits to society. 

represent the most rapid period of growth and learning that a human will experience. As such, this stage provides a unique window of opportunity to do “the right stuff.” By focusing investment and support on this period, governments have the opportunity to affect both immediate benefits to children and long-term benefits to society [14].

Good childcare is part of the “right stuff” needed by today’s families. In Thompson—as in Manitoba, and indeed all of Canada—most mothers are in the paid labour force. Nationally, three out of four mothers works for pay [15]. Today, over half of Canada’s children are cared for by someone other than their parent [1]—but very few have access to regulated childcare services, those programs that are considered early childhood education and care.

This report provides detailed empirical information on Thompson’s current childcare supply and its labour force, historical evidence, and close economic analysis that may help explain the current crisis and offer suggestions for a way forward. A case study such as this, which lays out new economic and social analysis, can provide useful information to both decision-makers and community members.
2. The Thompson Economy

Thompson is the third largest city in Manitoba, 750 kilometres north of Winnipeg. While the area has been occupied by Aboriginal peoples for well over 8,000 years, the City of Thompson was founded just a half-century ago.

Thompson is the largest city in the north. Known as “the gateway to the North,” the city has a strong retail and service sector, which serves as a trading centre for 36,000 to 65,000 people in surrounding smaller Northern communities and reserves [16]. It is the centre for transportation, communication, education, health care and government services for Manitobans north of the 53rd parallel. Thompson is also the seat of the northern judicial system. Aboriginal governments constitute a growing element of the city’s economic profile.

The population of Thompson is closely linked to its economic fortunes. In 2001, the city had 13,256 residents. Census data over the past two decades shows a population in decline. In 1981 the city had 4,025 children under age 12; twenty years later, there were 3,290 children in this age category, a decrease of 23 percent, or 915 children.

Most observers predict the 2006 census will report population growth, since Thompson is in an economic boom. In September 2006, for example, school board enrolments were up over the previous year [17].

Over recent years, international markets for nickel have rebounded and prices are high. Under new ownership, CVRD-INCO is planning to ramp up both nickel production and exploration [18]. The University College of the North is bringing many more students and educators into the area. Student housing is at a premium, and the Thompson Chamber of Commerce has supported an Educational Housing Cooperative. “Currently, UCN’s residence can only house 60 people. The College’s capacity is 600, but classes are often cancelled as students have to drop out because they can’t find anywhere to live,” reports the Thompson Citizen [19]. A new personal care home operated by the regional RHA has just opened in Thompson. Several large chain franchises (including Staples, the Brick, Boston Pizza, and Days Inn) have recently opened, each a “signal of economic stability and growth” [20].

Building construction is picking up, and a new hotel just received zoning approval [10, 21]. Mayor Tim Johnston has happily declared that “the Thompson market is hot,” [22]. The Wuskwatim and Connaquappa projects, alongside new roads and infrastructure spending, also contribute to the local boom [9]. With development in cold weather testing and the intentions of National Research Council of Canada to develop an aircraft engine testing facility, the local economy seems to be finding new growth niches. Thompson has an excellent transportation infrastructure that includes scheduled daily air service, overnight truck delivery, and a railway system.

The current economic boom brings some downsides. The service and retail sectors in Thompson face a severe shortage of staff. These sectors, which need staff for extended hours, evenings and weekends, find it hard to employ workers, “A booming economy is bringing new workers to Thompson, but finding an apartment can be a struggle,” report local experts [23].

According to 2001 Census data, the average income of Thompson residents is significantly better than the Manitoba average. This slightly off-sets the higher cost of living in the north. About 42 percent of the labour force works for INCO, and
Burntwood has the highest degree of income inequality in Manitoba, and low incomes have significant negative impacts on family health and well-being.

Another 25 percent works for local, provincial or federal government. Fourteen percent are employed in the local education system [24]. These are secure and well-paying employers, but the predominance of just three sectors (employing more than 4 out of 5 Thompson workers) points to the continuing need for diversification.

Despite the presence of a well-paid labour force, the Burntwood region also comprises the highest degree of income inequality in Manitoba [25]. This is likely linked to lower-than-average levels of educational attainment, particularly among Aboriginal communities. The Caledon Institute reports that in Manitoba, more than 70 percent of the on-reserve population aged 20 through 24 had not completed high school in 2001—a finding it calls “stunning” [26].

The Burntwood RHA has Manitoba’s highest rate of single-parent families, at 20 percent, and the second highest rate of male single parent families (6% of all families compared to 3% for all of Manitoba and all of Canada). “Single parent families face a dramatic drop in income compared to couple families (median family income of $14,705 versus $48,618). We know that low income has a significantly negative impact on a family’s health,” explains the RHA [25].

The local Mystery Lake school board operates six elementary schools and one high school. Among the elementary schools, Wapanohk Community School promotes the Cree language and Ecole Riverside offers a dual-track French-English program. The board has a total enrolment of 3,581 pupils in 2006-07, an increase over 2005-05 [17].

In the RHA of Burntwood, 76.2 percent of the population identify as Aboriginal, with a high youth population profile and a high birth rate. Thompson contains 31.5 percent of the RHAs total population, and 34.1 percent of Thompson’s residents report Aboriginal identity.
3. Childcare and Aboriginal Peoples

In Manitoba, the Aboriginal population is characterized by a youthful age distribution and higher-than-average fertility rates. As a result, the Aboriginal population is growing at a faster rate than the population at large. In Manitoba the median age of the Aboriginal population is a young 22.9 years compared to 37.7 years in the non-Aboriginal population [27]. While 13.6 percent of the total population of Manitoba is Aboriginal, 25 percent of children age 15 and under are Aboriginal. By 2015, demographers project that 30 percent of all Manitoba children under age 15 will be Aboriginal. This change will be even more marked in the North. It is estimated that by 2011, 80 percent of the Burntwood population under the age of 15 will be Treaty Status residents [25].

The legacy of colonialism and residential schools has had dire consequences for Aboriginal peoples’ culture, health and well-being. As a result of these challenges, the Aboriginal population in Manitoba today lives with grinding rates of poverty, lower levels of education and loss of language and culture. Many Aboriginal children face multiple risk factors, such as single parent families, teen parents, parents with less than grade 9 education, low income, parental incarceration, health problems, and foster placements. Negative outcomes in children’s development increase dramatically with each additional risk factor [28]. High quality childcare programs can support vulnerable children and can reduce the impact of risk factors on children’s development.

For Aboriginal children, like all children, childcare can be a stimulating and nurturing environment and, at the same time, a support to parents seeking to work or study. Childcare is particularly important for mothers who want to go back to school and obtain post-secondary education. Since many Aboriginal women students are mothers, lack of childcare may have a disproportionately negative impact on them. One study of northern women found lack of childcare was the major barrier to increased education [29]. Thompson’s post-secondary education institutions, therefore, ought to be particularly concerned about access to childcare for students. Thompson experts have observed that a lack of housing and childcare leads some students to drop out of University College of the North programs [8].

ROYAL COMMISSION ON ABORIGINAL PEOPLES 1996

Traditional child-rearing practices survive in many Aboriginal families, and they are consciously being revived in others. Some parents are fortunate to have the continuing support of an extended family, with grandparents and other family members available to share the responsibilities of parenting and to pass on knowledge and skills that support a strong sense of identity and self-esteem. However, social change, the stresses of poverty, and disruptive interventions in Aboriginal family life over generations have taken a severe toll on the capacity of many Aboriginal families to provide this kind of positive environment for raising children [30].

Research into Aboriginal and First Nations childcare finds many benefits. Early childhood education programs are a “hook” for mobilizing communities around support to young children and families, and they provide a “hub” for the community to come together [31]. Successful programs emphasize culture,
Manitoba’s Aboriginal communities, alongside others in the country, have identified the value of early childhood education. They advocate for culturally-appropriate ECE under Aboriginal control.

socialization, and traditional languages, and are culturally-rooted.

However there is a notable lack of childcare centered on Aboriginal peoples’ needs.

Studies have found that applying programs developed in the south to children in the north does not always address cultural needs and differences. The Assembly of First Nations, the Congress of Aboriginal Peoples, and the National Association of Friendship Centres have all advocated culturally-appropriate early childhood education and childcare under Aboriginal control [30].

Manitoba’s Aboriginal communities, alongside others in the country, have identified the value of early childhood education, and are developing innovative training models. A partnership between the University of Victoria’s School of Child and Youth Care and the Awasis Agency of Northern Manitoba provides one creative model. In 2000, 65 students from 14 Manitoba First Nations communities completed a two-year diploma program in early childhood education. The students were taught by Awasis managers who were able to complete their University of Victoria Masters degrees in child and youth care in their communities by special arrangement with the school. The program combined traditional knowledge and practices that reflected the students’ communities with mainstream theory, research and practices in child development and care. Elders from participating communities played an important role in the training program [32]. One legacy was the creation of training and curriculum documents, such as Introduction to Discovering Play and Creating the Environment Learner’s Guide.

The Manitoba Aboriginal Justice Inquiry’s final report recommended a number of measures to strengthen families, including childcare. It pointed out that:

Childcare services strengthen families in a number of ways. They can provide a healthy environment in which basic skills are developed, and children are prepared for school and encouraged in appropriate behaviours. At the same time, they provide a respite for parents, an opportunity to participate in the labour force, and a meaningful form of employment. However, to achieve these goals, the Manitoba government must improve accessibility, availability, and the quality of childcare service in Manitoba [33].

For these reasons, “the AJIC encourages the government to take steps to ensure the provision of affordable childcare” [33].
4. The Many Benefits of Childcare

When childcare is examined closely, it emerges at the centre of a number of economic, education, justice and equity issues. Childcare is located at the heart of a great many social and public goods, some of which we summarize briefly.

**CHILDCARE SUPPORTS CHILDREN**

Good childcare provides early educational experiences to young children. Developmental scientists know that the experiences of early childhood have a profound impact on health, well-being, and coping skills across the entire life course. We now have a mountain of research—from Canada and around the world—proving conclusively that quality childcare is good for children.

The American National Academy of Science reviewed hundreds of studies, and concluded that “high-quality care is associated with outcomes that all parents want to see in their children, ranging from cooperation with adults to the ability to initiate and sustain positive exchanges with peers, to early competence in math and reading” [34].

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Access to licensed, quality, safe and affordable childcare is one of the greatest contributors to the quality of life for children and families.

— Vancouver Mayor Philip Owen
A mother’s job often means the difference between family poverty or an adequate standard of living. Childcare is one key to reducing labour market inequality between women and men.

**CHILDCARE SUPPORTS FAMILIES**

It takes a village to raise a child. All parents need some support—whether they are at home full-time, looking for work, at school or in training, or in the labour force as part- or full-time workers. Good childcare arrangements make it possible for parents to be employed or go to school, and to lead lives with less stress and role overload. Families with working parents often find balancing work and home very challenging. Families living in poverty are under additional stress, and the physical and mental health of adults and children can be at risk. Family-friendly and child-centred programs can ease the strain and support all parents and children.

**CHILDCARE SUPPORTS ABORIGINAL FAMILIES**

Childcare also supports Aboriginal families. The 1996 Royal Commission on Aboriginal Peoples recommended that governments co-operate to extend early childhood education to all Aboriginal children, in services that promote parental involvement and choice. The Royal Commission explained “We’re convinced that early childhood education significantly helps in providing a level playing field of opportunity and experience for every child, whatever her background” [30].

In addition to supporting Aboriginal children, childcare also supports their parents. Aboriginal parents are much less likely than non-Aboriginal parents to participate in the labour force, and also tend to have lower education rates. Culturally appropriate childcare services can support Aboriginal parents in education and in the labour force.

**CHILDCARE SUPPORTS WOMEN**

Women’s employment is strongly linked to family demands, and it is more often women who interrupt their jobs or careers to care for their families. A mother’s job often means the difference between family poverty or an adequate standard of living. Yet, mothers with paid jobs report significantly more work-family conflict than do men, and the stress can compromise their health [35, 36]. Childcare services, along with other family policies (such as maternity and parental leave), can help support women who are raising children.

We can learn about how childcare supports women from Quebec. In 1997, Quebec began developing a generous childcare system for all children, at just $7/day or less. As a result, lots of high quality, low-priced childcare has been available, and this has changed families. More mothers have chosen to work. Since 1997, the proportion of employed mothers in two-parent families has increased by 21 percent, more than double the national average [37]. The case of Quebec shows us how much difference universal childcare service can make.

When affordable childcare is available, women experience less work force interruptions, and accumulate longer and more continuous labour market experience. This, in turn, influences the types of jobs they can obtain, and their level of earnings and pension benefits [38]. Childcare is one key to reducing labour market inequality between men and women.

**CHILDCARE IS GOOD FOR THE ECONOMY**

Famous economists, like Nobel-prize winning James Heckman, have
discovered that spending on childcare generates strong economic returns because it is so effective at improving “human capital.” That is the way economists talk about people’s education, skills and aptitudes. David Dodge, Governor of the Bank of Canada, has said “more should be done to convince politicians of the value of investment in early childhood development” [39].

Some of these returns are immediate. Economists have discovered that approximately 40 percent of the annual operating expense of Quebec’s generous childcare system is recouped immediately through increased taxes (federal and provincial) paid by parents [40].

Research shows that quality early childhood education programs more than pay for themselves over the long-term, as well. University of Toronto economics have calculated that for every $1 invested in childcare, $2 will be returned through benefits to children and parents [41]. American studies, using different methodology and assumptions have found that the return on childcare spending can be as high as $17 for every one dollar invested [42]. The Vancouver Board of Trade calls the childcare payback “spectacular” [43].

**CHILDCARE SUPPORTS THE LABOUR FORCE**

The Business Council of Manitoba states that a chronic labour shortage represents the single biggest threat to economic growth in Manitoba [44]. Access to childcare is one of the main ways to encourage parents, especially women, to enter and stay in the labour force. In Thompson, women participate in the labour force at lower rates than in the rest of Manitoba or Canada. Childcare services can make it easier for mothers to work, boosting the local labour force.

In Quebec, the proportion of employed mothers in two-parent families has jumped since the introduction of widely available low-cost childcare [45]. Economists know that childcare has a high level of price elasticity, which means that the price of childcare has a strong correlation with the likelihood of “buying” this service. The availability of childcare at a lower price increases the number of parents who use childcare, which increases the labour force participation rate of parents, especially women with children. This suggests that more affordable and accessible childcare may be a remedy to Thompson’s labour shortage.

Childcare supports jobs: parents are more able to work for pay when their children are securely cared for. Childcare facilities also sustain and create jobs for early childhood educators working in childcare programs.

**CHILDCARE COMBATS POVERTY**

Most experts agree that child and family poverty is structural, meaning the economy creates inequalities in the distribution of resources and opportunities. One way to redress the structural sources of poverty, according to the national anti-poverty organization Campaign 2000, is to invest in childcare and other programs for young children. Childcare can create “pathways out of poverty for economically vulnerable parents and children” [46].

Campaign 2000 advocates especially for the needs of First Nations and Aboriginal children, since one in four on-reserve children, and 40 percent of off-reserve Aboriginal children in Canada live in poverty [47].
Children living in poverty who have used quality childcare have greater school readiness than poor children who have not used childcare. “Children who start school already behind their peers are likely to fall behind, and it may become more difficult to engage them in the educational process. This makes it imperative to provide effective early childhood education programs (starting in the first few years of life) to enhance the experiences of children at risk” [48].

**CHILDCARE SUPPORTS THE NORTH**

The dependence of northern economies on primary resources has important implications. Women are under-represented in traditionally male sectors (i.e. mining), and do not enjoy the corresponding high wages, stable salaried employment and support services [49]. Thus, northern economies need diversifying by sex as well as by sector.

Northern regions make significant contributions to economic growth. Research demonstrates that services, like childcare, are crucial for both quality of life and the local economic base [50]. Services are also key in the development of social cohesion and social capital in small communities.

Northern communities face financial pressures as a result of the cost of living. For example, Northerners face high home maintenance costs, and transportation costs [49]. Lack of childcare has long been identified as a major barrier to economic equality in the north [51]. In a recent study, seven out of ten women in Northern Manitoba identified lack of childcare as their number one obstacle to further education [29]. The Royal Commission on Aboriginal Peoples also discussed childcare services as a component of employment development.

As the Federation of Canadian Municipalities declares, although relocation incentives for businesses and individuals will do much to attract people to the North, “the quality of life in northern communities will ultimately influence their decision to stay” [52].

**CHILDCARE IS A GREEN INDUSTRY**

It may seem obvious, but it is worth pointing out that childcare is a green industry. This is a real asset as economic development is being planned, since so many other development sectors are decidedly less green. Childcare is eco-friendly and labour-intensive. Like many other services, it is a relatively low-consumption sector that generates little waste and no toxic by-products. As early childhood care and education, it improves human capital in children. As a sector, childcare is sustainable and non-polluting.
Licensed childcare in Thompson is offered by full and part-time childcare centres, nurseries and family childcare homes, to children aged 0–12, as shown in Table 1 (See Note 1). The provincial Community Child Day Care Standards Act and Regulations govern licensed facilities.

FEW REGULATED SERVICES
Thompson’s licensed childcare system has a capacity of 337 licensed spaces to serve the city’s 3,290 children. In 2006, seven centres offered 285 infant, nursery preschool and school age childcare spaces SEE TABLE 1. Eight family/group homes provide 52 licensed spaces. Of the total spaces in centres and homes, 292 are full-time and 45 are part-time (See Note 1). In June 2007, Kiddies Northern Preschool (30 spaces) is slated to close.

About one-sixth of Thompson’s centre-based childcare supply (45 of 285) are part-time nursery spaces; the other five-sixths are full-time spaces. We assume that parents who use childcare full-time are able to work while their children enjoy developmental benefits. We assume users of part-time care value their children’s early childhood education, and benefit from some respite and time. MAP 1 shows the distribution of licensed facilities in Thompson.

LOW ACCESS TO CHILDCARE
According to the 2001 census, Thompson has 3,290 children aged ages 0–12 (See Note 3). For these children, there are 337 licensed full and part-time spaces. This means 10.2 per cent of Thompson’s children have access to a regulated early childhood education space. At just over 10 percent, access in Thompson is much lower than in Winnipeg (about 17 percent) and is worse than the Manitoba average of 14.3 percent [12].

<table>
<thead>
<tr>
<th>Table 1: Childcare Facilities and Spaces in Thompson</th>
</tr>
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<tbody>
<tr>
<td><strong>Year Established</strong></td>
</tr>
<tr>
<td>Keewatinowi Awasisak Opi-Ki-Wak</td>
</tr>
<tr>
<td>Kiddies Northern Preschool Inc</td>
</tr>
<tr>
<td>Light of the North Covenant Church</td>
</tr>
<tr>
<td>Riverside Daycare*</td>
</tr>
<tr>
<td>Teekinakan Day Care Centre*</td>
</tr>
<tr>
<td>Thompson Children’s World</td>
</tr>
<tr>
<td>T2 Thompson’s Toddlers Day Care Inc</td>
</tr>
<tr>
<td>Total Centres</td>
</tr>
<tr>
<td>Family and group homes (N=8)</td>
</tr>
<tr>
<td>Total Spaces</td>
</tr>
</tbody>
</table>

(*See Note 1)
MORE SPACES NEEDED:

Western European countries regularly provide early learning and care services to well over 80 percent of their youngsters [53]. Many Canadian experts believe that, at a minimum, an adequate childcare supply must ensure at least half of all children aged 0–12 have access to full-time service [1, 41, 54]. By this measure, Thompson has a shortfall of at least 1,405 spaces.

To ensure each age group has its natural share of spaces, Thompson needs 210 more infant spaces, 427 more pre-school spaces and 768 more school-age spaces in order to serve just half of the region’s youngsters (See Note 3.) The shortfall is presented in TABLE 2. These 1,405 new spaces would require at least 179 additional ECE staff.

CARE BY DIFFERENT AGE GROUPS

Childcare centres are licensed for specific ages of children. TABLE 1 shows the distribution of infant, nursery, pre-school and school-aged spaces. In contrast, regulated family homes are licensed for a maximum number of children, but the provider can enrol children of any ages (within prescribed quality and safety limits).

Generally, age groups do not have equal access. Thompson has a fairly good degree of infant care, at 13 percent. In Winnipeg, for example, just 8 percent of

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**TABLE 2: Current Service and Projected Minimum Need: Full-time Centre-based Childcare in Thompson**

<table>
<thead>
<tr>
<th></th>
<th>Currently Exists</th>
<th>50% Target</th>
<th>Shortfall New Spaces Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infant Spaces</strong></td>
<td>36</td>
<td>246</td>
<td>210</td>
</tr>
<tr>
<td><strong>Preschool spaces</strong></td>
<td>149</td>
<td>576</td>
<td>427</td>
</tr>
<tr>
<td><strong>School-age spaces</strong></td>
<td>55</td>
<td>823</td>
<td>768</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>240</td>
<td>1,645</td>
<td>1,405</td>
</tr>
</tbody>
</table>

(See Note 3)
spaces are for babies. On the other hand, children aged 6–12 make up half the population needing care, but less than 1 in five Thompson spaces (19 percent) are for school-aged children. (See Note 1.)

LONG WAITING LISTS
We surveyed each of Thompson’s childcare centres and homes and asked them about their waiting lists in May 2006 (See Note 1). We found 285 names on centre waiting lists and 129 names on homes waiting lists, for a total of 414 names—more than the total childcare spaces available in Thompson.

Childcare waiting lists are not centralized or coordinated. As a result, a parent who wants a childcare space must put his or her child’s name directly on a program’s list, and may ‘wait’ at more than one program. Some of the 414 names may be duplicates, but there is no way to be certain. We can be sure, however, that waiting lists are evidence of significant unmet need.

QUALITY AND PROGRAMMING
Research tells us that predictors of quality in centre-based childcare include staff training, adult to child ratios, and group sizes.

Thompson has very few trained early childhood educators. As a result, 6 out of 7 centres is currently operating with an exemption to their license because of non-compliance with staff training requirements.

Licensed childcare services in Manitoba aim to include all children. The inclusion of children with special needs, however, is uneven, often because of lack of staff or specially trained staff, and/or transportation or other required supports. An estimated 10 percent of children have special needs (for example health problems or disabilities, delays or disorders in physical, social, intellectual, communicative, emotional, or behavioural development) that require some level of additional support to assure their full participation in childcare programs [55]. In Burntwood, Fetal Alcohol Spectrum Disorder (FASD) is seen by educational professionals as the cause for many learning and behavioural challenges among children [25]. In Thompson, only 5 percent of centre revenues are raised by Disability Grants designed to enable inclusion. About half of the city’s centres have children with special needs enrolled.

HISTORICALLY LOW LEVELS OF SERVICE
Manitoba’s Ministry of Family Services and Housing has authority over regulated childcare off-reserves, and their annual reports include a listing of spaces. In these annual reports, the “Northern” region includes Thompson and Norman—allowing us to track the past two decades of northern service. TABLE 3 graphs out spaces from 1987–88 to 2005–06—showing a basically stagnant pattern of service that peaked a decade ago.

Thompson itself has seen actual decline in services. In 2000, the town had better-than-average access to childcare [11]. Since then, conditions have markedly deteriorated. In 2004, Thompson lost 90 spaces with the closing of the Y’s childcare program. In summer 2006, Juniper Preschool shut its doors, and in early 2007, a licensed family home also closed. The net result is that today, Thompson has just 337 spaces for its 3,290 children—or access for just 10.2 percent of the city’s children, well below the provincial average.
This historical evidence of low service levels is worrying news for parents who are on long waiting lists.

**HOW MANY CHILDREN AND PARENTS USE CHILDCARE?**

How many children and parents use childcare in Thompson? This seemingly obvious question is surprisingly hard to answer. Our best calculations show that between children enrolled full-time and part-time in homes and centres, a total of 381 children participate in the regulated childcare sector in Thompson, though this number may vary slightly at any one time.

A total of 337 licensed spaces can serve more than that many children because some children ‘share’ a licensed space. This most clear for nurseries, which offer a part-day and part-week program.

How many households do 292 full-time and 45 part-time spaces represent? We estimate about 248 households rely on full-time childcare, and about 20 households use it part-time, though a number of assumptions must be made to arrive at such results (See Note 7). In Section 7, we estimate the earnings of parents in these 248 households where childcare is used full-time.

**CHILDCARE IS EXPENSIVE**

Parent fees vary by age of child, length of day, and type of care. In centres and homes with trained staff, the daily fee for infants is $28.00 and preschool care costs $18.80. School age care is least expensive, with a school-day cost of $8.00 or $9.60 (depending on number of slots) and a fee of $18.80 on non-school days. Home-based regulated care with untrained providers may be slightly less expensive. **TABLE 4** itemizes daily and annual childcare fees. The cost of providing care to younger children is higher because quality and safety regulations require a higher staff to child ratio.

Any regulated facility which opts to receive provincial operating grants is required to respect this fee schedule. Since most facilities elect to receive public funds, there are near-uniform parent fees across the province. Manitoba

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**TABLE 4: Manitoba Childcare Centre Fees by Age of Child (2006)**

<table>
<thead>
<tr>
<th>Age</th>
<th>Per Day</th>
<th>Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>$28.00</td>
<td>$7,280</td>
</tr>
<tr>
<td>Preschool</td>
<td>$18.80</td>
<td>$4,888</td>
</tr>
<tr>
<td>School age, (cost for school days varies by before-, after-school and lunchtime slots)</td>
<td>$3.00–$9.60 (school days)</td>
<td>$2,836–$3,140 (out-of-school days)</td>
</tr>
</tbody>
</table>

**TABLE 3: History of Childcare Spaces in Northern Manitoba, 1987–2006**

[Graph showing the history of childcare spaces from 1987 to 2006]

Source: Calculated from FSH Annual Reports
is unique outside Quebec for its ‘flat fee’ structure.

The childcare crisis in Thompson has produced an unexpected twist on parent fees and subsidies. Many family childcare homes choose not receive provincial operating support. As a result, they are not required to respect the flat fee schedule, and can instead charge what the market will bear (estimated to be $25–$30/day per child). One of several negative outcomes of this situation is that parents who qualify for a fee subsidy cannot ‘use’ their subsidy at such a family home. In informal discussions in Thompson, we have learned that less than half the family homes will accept subsidized children—worsening access for the poorest citizens.

In 2006, Thompson parent fees totalled approximately $1,267,129 (See Note 4). Most of this was paid directly by parents; the remainder was paid on behalf of very low income parents by the provincial childcare fee subsidy system.

In our community consultations, some parents told us informal care—babysitting—was more expensive in Thompson than was regulated childcare. In southern Manitoba, the case is usually reversed: babysitters charge less than regulated programs. Unlicensed providers are not required to meet any safety or quality standards, and are not required to have any ECE training. If informal providers declare their income, they may provide parents with receipts that can be used for income tax. Otherwise, this economic activity occurs in the grey market and cannot be accounted for.

INADEQUATE SUBSIDY SYSTEM

Many children are shut out of childcare by high fees. The subsidy system, designed to meet the needs of low-income parents, is grossly inadequate. As TABLE 5 shows, parents must be well below the low-income cut-off (generally considered to be the poverty line) to qualify for a fee subsidy. The poverty line in 2005 for a family of 2 in a small town (under 30,000 people) was $20,257 and for a family of four was $30,238, according to Statistics Canada [56]. The situation is actually worse than it seems, since the low-income cut-offs fail to address the increased costs of life in the north.

Parents with eligible incomes may qualify for a fee subsidy if they are working or studying. Approximately 36 per cent of Thompson’s children receive some fee subsidy.

The income level at which parents become eligible for a fee subsidy was last set in 1991. Adjusted to 2007 dollars, single parents should be eligible for a maximum subsidy at incomes up to $18,406, with subsidy ceasing at $32,811. Two parent families with two children should be eligible for a maximum subsidy at incomes up to $25,225, with subsidy ceasing at $54,035. These revised income figures are a full 33 percent higher than the rates the provincial government currently uses.

Even if parents qualify for a fee subsidy, they are surcharged $2.40/day per child. A parent may qualify for a subsidy, but if there is no licensed program with an available space (or if regulated homes opt out of enrolling subsidized children), that parent and child will be shut out of service. In our community consultations, we learned this happens frequently.

In 2002, at the inauguration of Manitoba’s Five Year Plan for Child Care, the provincial government announced it would “reduce” the fee surcharge [57]. The

### TABLE 5: Eligibility for Childcare Fee Subsidy (net income 2006)

<table>
<thead>
<tr>
<th></th>
<th>Turning point</th>
<th>Break-even point</th>
<th>2005 Poverty Line (pre tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>For city of less than 30,000</td>
</tr>
<tr>
<td>1 parent, 1 child</td>
<td>$13,787</td>
<td>$24,577</td>
<td>$20,257</td>
</tr>
<tr>
<td>2 parents, 2 children</td>
<td>$18,895</td>
<td>$40,475</td>
<td>$30,238</td>
</tr>
</tbody>
</table>

The turning point is the income level up to which maximum subsidy is available. Partial subsidy is available up to the break-even point, at which income subsidy ceases. In Manitoba, a maximum subsidy does not cover the full cost of care, and parents must pay $2.40/day per child to make up the difference. If parents are on social assistance, $1.40/day is paid by social assistance, and parents pay $1/day.
Plan ended April 2007, but the $2.40/day per child charge was in effect as of late March.

LACK OF PUBLIC MANDATE
All of Thompson’s childcare centres are community-based, operated by non-profit organizations. There is no publicly-operated childcare, and no entitlement of parents or children to service. The role of the provincial government is limited to licensing and funding facilities, and excludes developing, starting-up or delivering services. No role at all exists for local government, although across Canada, some cities have found ingenious ways to influence their supply of childcare [58].

International evidence shows that reliance on the community to maintain childcare produces uneven results [53]. In Winnipeg, for example, childcare services are mal-distributed: poorer and inner-city neighbourhoods fare worst, and more affluent neighbourhoods fare better, a reflection of differential social and material capital [13].

In Thompson, we see the difficulties posed by exclusive reliance on community delivery. Two school-based programs (Juniper and Kiddies) have been challenged when the education system required their space for classroom use. As tenants, school-based childcare programs have no right to school space and no dedicated draw on public schools financing. This non-essential relationship persists despite the provincial declaration that schools will be the “first choice location” for childcare, and the government’s recognition that co-locating childcare and schools “helps to reduce costs considerably, improves quality and facilitates working parents” [59].

FRAGILE SERVICES
Most of Thompson’s centre-based facilities were established in the 1970s and 1980s **SEE TABLE 1.** Thompson Childcare, operated by the YWCA, closed in 2004 (at a loss of 90 spaces) and Juniper closed in 2006 (20 spaces), and a third centre closure is anticipated summer 2007 (Kiddies Northern, at a loss of 30 spaces). In early 2007, a family childcare home (licensed for 8, and one of the few accepting subsidized children) shut down. Other programs report they are struggling.

These examples point to the fragility of the childcare sector, and the problems with relying exclusively on community-based provision [60].
Thompson childcare centres employ 50 full time and 10 part time childcare workers, nearly all of whom are women. Family homes provide employment for 9 more staff. There is a total of 69 full and part-time workers. Adjusted to full-time equivalency, the childcare labour force is made up of 64 FTE workers (See Note 1). Childcare is a strong contender for tenth place in Thompson’s list of top employers (Manitoba Hydro, at 87 workers, is ninth).

Manitoba has three training classifications for staff. Child Care Assistants (CCA) have no formal childcare training, but must have first aid and CPR. Beginning April 2007, CCAs must also be enrolled in or have completed a basic 40 hour introduction to childcare course. An Early Childhood Educator (ECE) II holds a diploma in Early Childhood Education or has been assessed to have these skills. An ECE III augments ECE II qualifications through additional post-diploma early childhood education, an approved University degree, or equivalent qualifications. Family home care providers are not required to have specialized early childhood education training beyond the forty-hour introduction.

In Manitoba in 2005/06, the average CCA earned between $19,762–$27,489. Those with ECE II qualifications earned an average of $28,636–$36,260. ECE III staff, many of whom are directors and supervisors, earned between $30,829–$44,064 [61]. Low wages are associated with high levels of staff turnover and can “prevent competent individuals from considering childcare work in the first place, particularly if they are primary breadwinners” [63].

The Community Child Care Standards Act sets out minimum standards for
quality and safety, including staff to child ratios, group size, and other criteria. One of its regulations is that directors of centres must hold ECE III qualifications (directors of nursery and school-age programs must hold ECE II), and that two-thirds of centre staff (and half in nurseries) should have ECE II or III qualifications. Facilities that cannot meet these training levels must apply for and receive an exemption to their provincial license. Exemptions are provided if facilities can propose a staffing plan that meets provincial approval.

All of Manitoba confronts a shortage of trained ECE staff. In 2005-06, 30 per cent of Manitoba centres were unable to meet the training requirements due to shortages [62]. In Thompson, this ratio is worse: 6 of the 7 centres—86 percent—have a temporary exemption to their license because they do not currently have the required ratio of trained staff or an appropriately trained director. Low numbers of trained staff brings downward pressure on the quality of the programming provided to children.

Recruitment and education of the childcare labour force are major challenges. In Thompson, four out of five childcare workers are classified as Child Care Assistants (CCAs) with no training. The remaining 20 per cent have specialized training as ECEs: 13.8 per cent hold ECE II and 6 per cent hold ECE III. Of Thompson’s 7 current directors, 3 hold their ECE III, 2 are ECE II, and 2 directors are currently CCAs.

ECE training is available in Thompson. The University College of the North offers the introductory forty-hour CCA Certificate and the ECE II diploma. In Thompson, ECE training is either full-time or a full week per month (modular delivery), and is not offered on a regular part time basis. The UCN is currently undertaking a major curriculum review of its ECE program. Current plans include more part-time delivery options and a greater degree of Aboriginal content. The possibility of earning ECE III qualifications locally through post-diploma courses is not yet in place, nor is a degree program. Those interested in earning ECE III qualifications must draw on distance education courses offered by Red River Community College or Assiniboine Community College.

The provincial government has recognized the links between a shortage of trained staff and low wages. New initiatives are underway to increase enrollment in training programs, and to recruit former staff back into the field, and are accompanied by small funding increases to permit wages to rise [65]. If Thompson were to meet the target providing service to 50 percent of children, the city would need an additional 179 new ECE staff.

The very design of the childcare system must change if quality and staffing is to improve. Most of the funds spent by a childcare program go to wages and benefits: a full 82.9 percent in Thompson. See Table 7. The main source of revenue is parent fees and costs are already too high for many parents to afford. Clearly, increased public operating support is needed.
We don’t often consider childcare as an industry. But we can look at childcare through an economic lens \([2, 66]\). Childcare is both an industry in its own right and an infrastructure that enables other sectors of the economy to function.

In this report, we focus only on the sector’s immediate effects, and not the longer-term returns. Canada does not yet have reliable calculations for the economic effects of childcare on children’s outcomes. As a result, the economic projections of this report are only a sub-set of the total economic and social impact of childcare—the short-term, immediate returns.

In this section, we present an analysis of childcare spending in Thompson, using input-output multipliers \((\text{See Notes 4 & 6})\). Non-economists are familiar with this as the ‘ripple effect’ of spending. As money ‘ripples’ through the economy, each \$1 generates other effects. As we shall see, the impact of spending by 7 childcare centres and 8 family childcare homes in Thompson is impressive.

As a sector, childcare’s 2006 revenues were an estimated \$2,126,952. This revenue is the sum of parental fees and government grants. Parents are the biggest spenders on childcare: fees make up 60 percent of total sector revenues. Fees (and fee subsidies) totalled \$1,267,129. Operating grants from the Province of Manitoba contributed \$741,142 to both centres and homes, and disability grants were worth \$92,108. Fundraising, interest on investments, donations and ‘other’ revenues may provide small extra funds to some programs.

In economic terms, the standard measure of the impact of an industry sector on the regional economy is input-output analysis. Input-output models are based on the assumption that an industry’s spending in a regional economy

| TABLE 6: Revenue by Source for Thompson Childcare (2006) |
|-----------------|------------------|
| Centres         | Revenue          |
| Fees            | \$1,041,277       |
| Disability Grant| \$92,108          |
| Fundraising      | \$5,781           |
| Donations       | \$920             |
| Interest        | \$1,248           |
| Other           | \$18,624          |
| Operating Grant | \$704,286         |
| Subtotal Centres| \$1,864,244       |
| Family/Group Homes |             |
| Parent Fees     | \$225,852         |
| Grants          | \$36,856          |
| Subtotal Family Homes |       |
|                 | \$262,708         |
| Total All Thompson Childcare | \$2,126,952 |
In Thompson, for every $1 spent on childcare, $1.58 of economic activity is generated. The total direct and indirect value of the childcare industry is over $3.3 million.

In Thompson, childcare homes and centres raise revenues of more than $2.1 million. In childcare, labour is the biggest single cost. Thompson’s childcare centres spend an average of 82.9 percent of their total expenditures on salaries and benefits. Administrative and office costs consume about 11.8 percent, leaving just 5.3 percent for the program (toys, books, snacks, craft supplies, etc.) Program quality would rise if additional funds were available to this budget line.

The Thompson childcare worker labour force (in centres and homes) consumes an estimated 82.9 percent of facility expenditures, earning $1,892,258 in wages and benefits. When taxes are taken into consideration, these earnings generate an estimated $1,248,891 in take-home pay to be spent in the local economy, supporting employment and growth in other sectors.

Input-output analysis also includes multiplier effects, or ways to measure the impact of sector spending. Indirect effects measure how the ways money spent by childcare centres and homes stimulates economic activity. Childcare centres need supplies and food and they pay rent and other costs, which in turn generates activities in other sectors.

In Thompson, for every $1 spent on childcare, $1.58 of economic activity is generated. In Thompson, childcare generates an extra $1,233,632 of economic effects in addition to $2,126,952 of direct revenues. The total direct and indirect value of the childcare industry is $3,360,584.

The employment multiplier is the estimate of the jobs created or supported by a sector—childcare—through industry spending in other sectors. For every job in childcare, an extra 0.49 jobs are created or supported.

A total of 69 full and part-time workers are employed in Thompson’s childcare industry. The childcare sector supports a total of 95 FTE jobs when the employment multiplier is taken into account. We estimate Thompson needs an additional 179 new ECE positions, which would create about 90 more spin-off jobs.

Parents who use full-time childcare are available for other activity, usually employment or education. Thompson has 292 full time licensed spaces. These spaces enable parents in an estimated 248 households to work, study or train. If all parents using full-time childcare are employed at average wages, the value of their 2006 earnings would be $18,816,328.

One of the most dramatic changes to the Canadian labour force in recent decades has been the remarkable increase in the numbers of women working for pay. Nationally, three out of every four mothers now works for pay. In families with children under age 3, 65 percent of mothers work (up sharply from 1978, when just 28 percent were employed). The northern labour force is different. In Burntwood, just 46.5 percent of mothers with children under 3 are in the labour force—one of few regions in Canada where less than half of mothers of young children are in the labour force. Men’s labour force...
participation is also well below provincial averages.

Compared to the rest of Manitoba, mothers and fathers working in Thompson have high average earnings. When Census 2001 data is adjusted for inflation to 2006 dollars, average incomes are $38,920 for women and $61,068 for men. This is likely due to the high pay at the INCO mine and the many public sector (government) jobs in town. This wealth is not distributed evenly, since Northern Manitoba also has a poverty rate of 21 per cent—which is also above the Manitoba average (See Note 5).

**TABLE 8** shows that women with children of all ages are much less likely to be in the labour force than men. The gender gap in workforce participation between women and men shrinks as children grow up. When children are ages 3–5, just over half of their mothers and three-quarters of their fathers are in the labour force. Once children reach school age, there’s a jump. Among parents of school-age children, 69.6 percent of mothers and 78.5 percent of fathers are working for pay.

The data on maternal and paternal labour force participation (Table 8) counts only those who are currently working for pay in the formal labour market, or who are actively looking for work. It does not measure those who have left the labour market by choice, because of discouragement, or because they cannot find childcare or balance their work-family obligations.

Being out of the labour force has consequences beyond short-term forgone wages. Even short-term exits can have long-term negative consequences on lifetime earnings resulting in lower income in retirement. Many women discover this sad reality the hard way, through poverty in their senior years, or upon widowhood or marriage dissolution. Supportive services, like childcare, can make it easier for women—like men—to earn a living while also caring for their families and their communities.

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**TABLE 7 Expenditures by Thompson Childcare Centres (2006)**

<table>
<thead>
<tr>
<th>Centres</th>
<th>Expenditures</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$1,369,146</td>
<td>74.9</td>
</tr>
<tr>
<td>Benefits</td>
<td>$145,400</td>
<td>8</td>
</tr>
<tr>
<td>Program</td>
<td>$97,141</td>
<td>5.3</td>
</tr>
<tr>
<td>Office and Building</td>
<td>$117,581</td>
<td>6.4</td>
</tr>
<tr>
<td>Administration</td>
<td>$99,221</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total Centres Only</strong></td>
<td><strong>$1,828,489</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: Expenditure data for family homes is not available

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**TABLE 8 Burntwood RHA Labour Force Participation Rates for Mothers and Fathers by Child Age**

Source: See Note 5
The Child Care Coalition of Manitoba held two focus groups in 2006, attended by nearly three dozen parents, childcare staff and other interested residents. Participants were asked about the strengths and challenges of Thompson’s childcare system.

**CHILDCARE IS IMPORTANT**

Parents and staff feel that childcare is essential to healthy child development. However they are troubled at how it is often undervalued by society. “People high up in the community have no idea about childcare.” Participants know that quality childcare is a fundamental part of education: “the foundation of a child’s life is set from birth to age six.”

Participants explained that childcare is essential for modern families, since it offers a quality supportive environment for children. One centre explained that they were established to address stress on families who may be experiencing difficulties at home. Participants also explained that childcare is essential to enable them to work for pay: “I don’t work full time because I can’t get my kids into a centre,” said one mother.

**THE COST OF CHILDCARE AND FEE SUBSIDIES**

Many participants spoke about the problem of fees: “parents are screaming for day care, but can’t afford the fees.” It is “hard for students,” we were told. One grandmother reminded participants about Quebec’s generous system: “My daughter in Laval pays $7 per day!”

Some parents can afford to pay the full cost of childcare. However, many parents cannot afford full fees, but do not qualify for subsidy. This is because the level for subsidy has not been changed since 1991, and has not been indexed even to the cost of living. The demographics of Thompson are also complicated: “There is a large number of lower income families and a significantly high number of higher incomes—the community is polarized.”

Low income parents who receive a subsidy are required to pay $2.40/day per child. One student mother explained she “was grateful for subsidy, but $2.40 was still hard …I was living on social assistance.”

Paying the surcharge is difficult for parents, and it is onerous for facilities to collect: “We have to run after them to pay the 48 bucks [per month].” Centres are torn by the dilemma of parent fees. Technically, the $2.40/day surcharge is optional, and a facility could choose not to levy it. However, program revenues are so low and wages are so poor, that facilities cannot forego the extra income.

No-one believed the new federal ‘Choice in Childcare’ allowance of $100/child per month (taxable) would improve the situation. “The new federal program is not going to have an impact in Thompson; $1,200 will not help if you don’t have a place to spend it,” said one mother.

**EXTENDED HOURS AND SHIFT WORK**

Hours of operation do not match non-standard work hours. In some cases, workers are literally driven away from Thompson due to lack of childcare. We were told a story about a nurse: “She moved here from Ontario. She flipped out because she didn’t know there were no childcare spaces here... [eventually] she moved away because she couldn’t take it,” even though her facility did its best to...
In other families who work shifts, parents are “Lucky enough if the spouse works the off shift.”

We learned that “One parent works Saturday and Sunday, but is subsidized for Monday to Friday, not on weekends when she works.” Other parents and staff shared similar stories of mismatch between need for care and hours of service.

EMPLOYERS’ ROLE
Participants discussed the role that local employers and businesses could play, given their capacity and interest in supplying care to their workforce. For example, we learned one centre had conducted an informal survey to determine the need for extended hours care, and found such a need. However when they approached local businesses and organizations, there was little interest. Recently, a childcare centre providing overnight care for shift workers closed, even though employer support might have kept the facility open.

Staff working in the field stressed the problem of high rents. One participant explained “Corporations would rather leave their buildings empty than give it to us [for use as childcare facility] because of too many liabilities.”

STAFF WAGES
Staff explained that they struggle with low wages, few benefits and little recognition for their work, similar to the strain other female-dominated professions have experienced: “Nurses went through this, teachers went through this, now we’re going through this.”

Staff working in centres for years told us they have never received a wage raise, even for cost of living. “I’ve been a Director for four and a half years and never got a raise,” said one ECE. One person noted, with astonishment, that “You get more pay if you’re training a dog” than if you’re an early childhood educator.

The lack of employment benefits was a significant issue for many staff. Most want dental, vision, and sick days, as well as an all-important pension. One long-time educator explained, “I’ve worked for 8 years (as an ECE) and have no benefits.”

RETAINING AND TRAINING
Retaining trained staff is a major issue in Thompson. Low wages for ECEs mean trained staff have been lost to higher paying sectors, such as the public school system. Turn-over rates are high. Another challenge is finding staff to cover when current staff wants to leave to upgrade their skills. Centres must retain their staff for required child-staff ratios, making educational leave impossible for most existing staff. The lack of qualified staff and wages and benefits adequate enough to attract them is pivotal – centres are unable to expand the numbers of childcare spaces they offer because they cannot find the staff to complement an expansion.

NORTHERN COST OF LIVING
The high cost of northern living places restrictions on the resources of the community and the ability of families to afford childcare. For example, there are limited commercial leasing spaces and high rents in Thompson: “Centres get the same operating grants (as Winnipeg) but have higher costs of living.” Centres are
challenged to stretch the revenue they receive from fixed parent fees and operating grants, to meet the higher rents and other input costs in Thompson. This restricts centres’ ability to pay worthy wages and benefits to staff.

One issue facing northern and remote communities is transportation of supplies. Staff find creative ways of replenishing toys and other supplies, and often bring items with them when they travel for personal reasons. The cost of freight is high. For example, to ship a playground to Thompson from Winnipeg costs $600; yet the extra cost is not recognized in provincial funding.

SPECIAL NEEDS AND ABORIGINAL CHILDREN
The challenged capacity of childcare centres affects their ability to serve children with special needs. Since staffing is limited to begin with, finding or training staff to work with children with special needs is difficult. “We don’t have anyone qualified to assist those children with special needs,” we were told. “What about the cultural issues?” parents and staff asked, knowing that training is needed to serve their Aboriginal families. Without access to regulated facilities, “grandparents provide the care.” Other times, people wonder “What is happening with those kids? Who is watching those kids?”

Despite these problems, Thompson residents are committed to childcare, and want to see it grow and thrive, for the children, for the parents and families, and for their community as a whole.
9. Recommendations

Childcare is a contributor to economic and social development in Thompson. As a result, childcare services and spending should be reframed as valuable investments in today and tomorrow. The following recommendations flow from the analysis in this report:

MORE CHILDCARE SERVICES ARE NEEDED
Thompson’s 337 licensed spaces can serve only 10.2 percent of children aged 0–12. In order to provide half of the region’s youngsters with full-time centre-based services, Thompson would need at least 1,405 more spaces, staffed by an additional 179 trained and properly remunerated early childhood educators. Expansion on this scale will require concerted efforts, and significant public funding (capital funds as well as on-going operating funds), in facilities renovated or built to developmentally appropriate and inclusive standards. Services must be flexible and include extended hours as well as coverage for parents working long shifts and weekends. The additional cost of serving the north must be built into operating formulae.

CHILDCARE SERVICES MUST BECOME MORE AFFORDABLE AND ACCESSIBLE TO FAMILIES
Parent fees are too high for many families to afford. The fee subsidy system is badly out-of-date. Eligibility income levels, last set in 1991, must be revised to respond to the realities of families in 2007. The surcharge of $2.40/day per child
should be eliminated for subsidized families. All regulated facilities should respect the provincial fee schedule and accept subsidized children as a condition of maintaining their license.

**THE QUALITY OF CHILDcare SERVICES MUST INCREASE**

Childcare services must be high quality, developmentally appropriate, and inclusive of all children (including children with special needs). High quality programs require appropriately trained staff, including those with specializations (for example, in children with special needs and infants), who are well resourced and supported. Programming must be culturally appropriate and welcoming for all cultural and language groups. As the Aboriginal child population grows, childcare services will need to ensure their programming is culturally responsive to Aboriginal families. Raising quality will require additional public funding so programming costs can improve—currently, just 5.3 percent of centre expenditures are devoted to programming.

**THE ECE LABOUR FORCE MUST BE BETTER SUPPORTED AND RESOURCED**

Staff training is one of the strongest predictors of program quality. Skilled and trained staff will be recruited and retained when wages and benefits are improved, and when career ladders are built. Too few of Thompson’s childcare staff have ECE II or III qualifications, and stronger measures must be put in place to enable and encourage staff to undertake upgrading without compromising their programs.

If just half of Thompson’s youngsters were to have access to centre-based, full-time care, the city would need a minimum of 156 additional trained educators on the floor and approximately 23 directors. The current labour force of 64 FTE would need to nearly triple, and the complement of trained staff with ECE II and ECE III qualifications would need to rise nearly 20-fold from the current low of 11. Skilled and trained staff will be recruited and retained when wages and benefits are improved, when career ladders are built, and when effective and realistic incentives are put in place.
Methodological Notes

**NOTE 1:** We use ‘childcare’ to refer to those regulated early learning and care services for children aged 12 weeks (rounded to 0)–12 years, including nursery schools, childcare centres and family and group care homes, which are licensed by the province of Manitoba. Most children who require non-parental care receive service from the informal childcare sector; unregulated childcare is excluded from the analysis herein, as are any ECD service not licensed as childcare. Data on childcare services in Thompson is drawn from the provincial Child Care Office and from our direct communication with facilities. Data was gathered in a telephone survey with facilities conducted in May 2006 and updated February 2007. Enrolments, waiting lists, proportion of trained staff and the ratio of subsidized children may fluctuate over a year. We discuss a snapshot current as of February 2007. While family home providers are legally self-employed, we consider them ECE staff for purposes of this report. We consider the capacity of all licensed spaces save nursery (infant, preschool school-age and family home) to be ‘full-time’ because they permit a parent to have Mon–Fri, 9–5 employment, even if for just part of the year; by contrast, nursery spaces are not designed to accommodate parental employment, although they offer valuable child development opportunities. Riverside Daycare has a total capacity of 70 spaces and is primarily a school age facility that also operates a nursery school program three mornings per week. The nursery children are only permitted to occupy the facility when the school age children are not there. Riverside can operate 20 nursery, 15 preschool (for kindergarten children only) and 55 school-age spaces, but for purposes of calculation, we assess spaces as itemized in Table 1. The infant spaces at Teekinakan are only for older infants over 18 months, but are counted as ‘infant’ spaces nevertheless.

**NOTE 2:** We used Statistics Canada’s census area for Thompson. The city is located in the provincial Regional Health Authority of Burntwood, Where available, we use Thompson-specific data. Where Thompson data is not available, we present data for the larger northern RHA of Burntwood. Total population and child population for Thompson were calculated from 2001 Census data.

**NOTE 3:** Demographic calculations were made for child populations and the pool of families using childcare. We used Census data (2001). The 2001 Census only counts the actual numbers who report residence. Children living temporarily, or seasonally, in Thompson can be missed in this count. Half of 3,290 children represent 1,645 spaces. We assume the natural proportion of children is 15% infants, 35% preschoolers and 50% school age (6–12). Depending upon the ages used to determine infant, the number might rise to 20 percent, but since about half of Manitoba parents are eligible for 12 months of EI-remunerated maternity/parental leave, 15% is the preferable figure. To calculate staffing for the 50 percent target of access, we use ratios of 1:4 for infants, 1:8 for preschoolers and 1:15 for school age, and assumed a maximum centre size of approximately 60 spaces, with each new centre requiring one director.

**NOTE 4:** Budget and financial data is drawn from two sources. We received budget data from childcare centres and homes, as well as from the Child Care Office. The data generally reconcile. For total fees paid by centre-using parents, we used budget data provided by facilities. For fees in family homes, we used a formula provided by the Child Care Office, and we assume family home fees are based on the provincial schedule instead of higher market rates. We used financial data for input/output analysis. Special input/output data was generated specifically for this project by the Input/Output Analysis Division of Statistics Canada. Statistics Canada recommended and used primary education as a proxy, since it does not have specific data on childcare. We used conservative assumptions. The indirect multiplier, also known as the GDP multiplier of 1.58 is the most cautious estimate of spending in the local economy, because taxes and imports are subtracted. The employment multiplier of 1.49 estimates the number of jobs supported by the childcare sector. We are indebted to the work of Mildred Warner and her colleagues, on which we drew for our analysis.

**NOTE 5:** Source for Burntwood labour force participation rates and poverty rate: Statistics Canada. 2001. J4013 Revised: Persons in Private Households by Age (6), Sex (3), Aboriginal Identity/Registered Indian Status (5), Labour Force Activity (8), Income Status (4) and Selected Characteristics (22) for Canada, Manitoba, Health Regions and Selected Groupings (15), 2001 Census (20% Sample-based data) Census Custom Tabulation. (Accessed January 2007). This custom tabulation was originally prepared for the Prairie Women’s Health Centre of Excellence. For this report, all computations were prepared by the Child Care Coalition of Manitoba and the responsibility for the use and
interpretation of these data is entirely that of this report’s author.

**NOTE 6:** Data on revenues and expenditures for centres were compiled directly from facilities. Family homes were totalled separately using numbers supplied by the provincial Child Care Office, as budget breakdowns were not available. To attribute wages in family homes, we assumed the proportion of revenue on wages and benefits was the same as centres (83 per cent). These figures are as accurate as possible, given the under-developed state of the provincial and regional data.

**NOTE 7:** All figures for parent earnings are calculated based on 2001 Census data on household characteristics and earnings. No specific data is available on childcare-using households in Manitoba. Therefore, we built a model (first developed in our 2004 report) to estimate parental earnings associated with full-time daycare spaces. In Thompson, the average household with children has 2.2 children, which is adjusted for female employment rates on the basis of child age groupings, since not all of these children have employed mothers. For the full-time daycare spaces, we assume that childcare is required when mothers are employed (note: there are few lone-parent males in the community, and so this assumption is reasonable). Statistics Canada Census data finds that among households with children under age 17, 65 per cent is coupled and 35 per cent is lone parents. By this assumption, there are 161 married or common-law households, 72 single parent female and 15 single parent male households represented by the 292 full-time spaces in Thompson. We do not include licensed nursery spaces in the calculations of parent earnings because nursery service is only offered a few hours per day, and it is not sufficient to enable parents to earn income. To calculate earnings, we used average full time (gross) earnings for men and women (source: Census 2001 full-time, full-year earnings adjusted for inflation to 2006 dollars using the Bank of Canada’s inflation adjuster, at $38,920 for women and $61,068 for men). We do not discount for subsidized parents, since average earnings include low as well as high earners. For calculation purposes of the 248 childcare-using households related to the full-time spaces, we assume that all parents are employed. While some parents may use childcare while they study or are engaged in other non-remunerated activity, we attribute average earnings to them. To calculate the 20 part-time childcare using households, we assume that the distribution of family size and type using part-time childcare is representative of all Thompson family sizes and types.

Sources:
1. Earnings data, labour force indicators (employment/unemployment rates), age characteristics of the population and family/household characteristics are retrieved from the Statistics Canada—2001 Census Community Profiles. Available online: www12.statcan.ca/english/profil01/CP01/Index.cfm?Lang=E
2. Statistics Canada—2001 Census. Standard Data Products: Age (122) and Sex (3) for Population, for Canada, Provinces, Territories, Census Metropolitan Areas and Census Agglomerations, 2001 Census—100% Data. 95F0300XCB2001004.

**NOTE 8:** We held two community consultations in Thompson in May 2006. Over three dozen people attended. Susan Prentice, Nikki Isaac, and Thelma Randall led the participatory meetings, which were conducted under a research ethics approval certificate (Protocol #P2006:015) issued by the University of Manitoba’s Psychology/Sociology Research Ethics Board.
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