

# Child Care Workforce Development: RECE Wage Structure

### **POSITION PAPER**

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Prepared for:

Hon. Paul Calandra, Minister of Education

# Brief

The District of Thunder Bay Social Services Administration Board (TBDSSAB) requests that the Ministry of Education provides Service Managers with a provincial wage structure in the childcare sector that would encourage and sustain the recruitment, retention, and workforce development of Registered Early Childhood Educators (RECEs).

# **Summary**

Since 2022, the funding agreement between the Ontario and federal governments has resulted in significant childcare fee reductions and a corresponding increased demand for licensed childcare. However, this increase in demand has surpassed program staff capacity and in turn, available spaces in the District of Thunder Bay, resulting in a growing childcare waitlist that cannot be served. The need for more qualified ECEs is critical. We have observed that one factor contributing to the decreased workforce capacity lies in the lack of a competitive wage grid that adequately compensates workers based on their qualification and experience. Therefore, addressing this shortage requires a multi-pronged strategic approach that includes the creation of a provincial wage grid.

# Background

As of February 2025, TBDSSAB has a childcare waitlist totaling 4,365 children, with 2,801 (64%) of that number requiring immediate space. In comparison to February 2024, there is an increase of 29 per cent, where the waitlist numbers were recorded at 3,398. On the other hand, 66 children on the waitlist have been offered spaces in one of the licensed childcare sites in the district. Based on the current rate, it will take over 42 months for all currently waitlisted children seeking immediate care to be actively placed<sup>1</sup>. This sizeable and slow-moving waitlist is significantly impacted by the lack of RECEs required to meet the increasing demand precipitated by Canada Wide Early Learning Child Care (CWELCC) fee reductions for families. From data collected (monthly) on childcare staffing, as of February 2025, we

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<sup>&</sup>lt;sup>1</sup> It is worth noting that this projection does not account for new waitlist additions.

documented 261 staff working with 54 CWELCC eligible childcare centres across the district. Of that number, 134 (51%) are RECEs<sup>2</sup>. The lack of RECEs in the district has resulted in the operators not meeting full licensed capacity offered by the Ministry. At the time of composing this paper, the Ministry allocated 3,007 licensed spaces across the district, from that number, 89% (2,687) of the allocation is being used by children, with 320 spaces underused due to staffing shortages.

Accessible, inclusive, and high-quality childcare is essential to our provincial economy and RECEs are at the forefront. Without a viable workforce, there is no childcare, which takes on a compounding effect now and in the future. Parents/caregivers are unable to return to the workforce without the access to quality licensed child care spaces. The current ECE workforce has seen a significant decline over the last few years, witnessing a 20% reduction during the COVID-19 pandemic.<sup>3</sup> In a focus group held by the Knowing Our Numbers (KON) group, they found that, post-Pandemic, childcare programs continue to struggle with staff recruitment and retention due to low wages among other factors<sup>4</sup>. This issue is very significant in the Northwest region as operators have reported experiencing staff shortages after the COVID-19 pandemic<sup>5</sup>. As a result, these programs have had to operate at a reduced capacity, send some kids home, or suspend programs entirely as RECEs have moved on to other sectors that offer commensurate incomes.

To begin addressing the staffing shortfalls, in late 2023, the Ministry announced an increase to ECE wages that would enable the province to compete (wage-wise) with its provincial counterparts<sup>6</sup>. We thank the Ministry for this boost as it recognizes the importance of RECEs in providing high quality care to the children under their supervision. However, the recent wage increase fails to adequately compensate RECEs based on their skills, educational qualifications and experience<sup>7</sup>. Especially when one compares it with compensations

<sup>&</sup>lt;sup>2</sup> That equates to about ~3 RECEs per centre. While the number of RECEs that are employed in each of the centres vary (for instance, one centre could employ 5 RECEs while another could have one), we felt that showing an average spread would reflect the inadequacy being felt in the system and the effects on the increase in waitlist numbers.

<sup>&</sup>lt;sup>3</sup> Ontario Ministry of Education. (2021). Child Care and Early Years Workforce Funding: Ministry of Education.

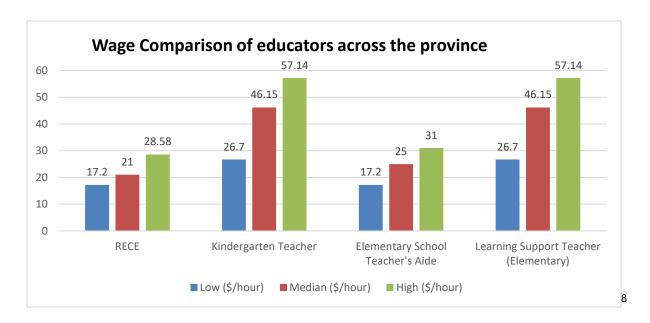
<sup>&</sup>lt;sup>4</sup> KON (2024) surveyed RECEs about plans to leave sector within 5 years and found that in the Northern region, 38.5% plan to stay. 18.7% plan to leave, with a bulk of the respondents (42.8%) unsure of their future.

<sup>&</sup>lt;sup>5</sup> According to the Knowing Our Numbers Northern Perspectives report, the study found that childcare operators face increasing difficulties retaining staff due to the "low wages, with many staff working two jobs or relying on their partner's income." Akbari, E., McCuaig, K., Schurter, M. Varmuza, P., Akbari, S., Mudie, S. (2024). Knowing Our Numbers: A Provincial Study with a Local Lens on the Early Childhood Education Workforce in Ontario. Northern Perspectives.

<sup>&</sup>lt;sup>6</sup> CBC News (2023) "Ontario boosting ECE wages to \$23.86 an hour next year in bid to ease shortage of workers", obtained from Ontario boosting ECE wages to \$23.86 an hour next year in bid to ease shortage of workers | CBC News.

<sup>&</sup>lt;sup>7</sup> Child Care Now (2024). Wages, benefits and pensions: Policy recommendations developed by the National Early Learning and Child Care Workforce Policy Table.

individuals receive in the broader educational sector (as shown in the chart below).



In addition, it does not account for the rise in the standards of living, and more recently the economic uncertainty that resulted in concerns over affordability.

As such, TBDSSAB asks that the Ministry goes a step further to encourage the growth of the ECE workforce now and in the future by introducing a wage grid in the province. By introducing a salary structure, we believe childcare operators would be afforded the flexibility to provide competitive wages that not only compensate workers based on their qualifications/experience but also attract and encourage individuals to work in the sector (please see Table in Appendix A depicting wages across comparable professions in Ontario).

Therefore, TBDSSAB requests that the Ministry of Education provide Service Managers with a wage grid framework that would help inform pay scales that adequately compensate ECEs and in turn, grows the recruitment, retention and workforce development of childcare staff around the province.

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<sup>&</sup>lt;sup>8</sup> Government of Canada. Prevailing Wages in Canada. Registered Early Childhood Educators (RECE) in Canada. Last updated Dec. 2024. Retrieved from Registered Early Childhood Educator (RECE) in Canada | Wages - Job Bank.

## APPENDIX A

Median Hourly Wages for Licensed Practical Nurses and Paralegals by Region<sup>9</sup> Community/Area **Paralegals Licensed Practical Nurses** Ontario \$30.00 \$32.44 Northeast \$28.00 \$27.67 Northwest \$30.25 N/A Ottawa \$29.00 \$31.25 **Toronto** \$30.00 \$35.26 Windsor-Sarnia N/A \$26.00 \$31.00 \$30.16 London Hamilton-Niagara \$30.81 \$27.88 Peninsula \$32.44 **Stratford-Bruce Peninsula** \$30.10

<sup>&</sup>lt;sup>9</sup> Table obtained from Knowing Our Numbers Executive Report. Akbari, E., McCuaig, K., Schurter, M. Varmuza, P., Akbari, S., Mudie, S. (2024). Knowing Our Numbers: A Provincial Study with a Local Lens on the Early Childhood Education Workforce in Ontario.