

BC Chamber of commerce resolution

CHILDREN AND FAMILY DEVELOPMENT

THE ROLE OF CHILD CARE IN ENABLING BRITISH COLUMBIANS TO RE-ENTER THE WORKFORCE

Quality child care is no longer just a social issues; the business community of BC now views child care as one of the key factors in addressing the labour shortage in BC. The ability to recruit and retain workers in all industry sectors is underpinned with a worker's ability to secure quality child care that meets their needs. A comprehensive Strategic Plan for the Child Care system in BC is critical to staying competitive in today's global economy.

Child care has traditionally been a family and community initiative but today families are less geographically connected, more dependent on adults earning an income and less involved in the philosophy of a "community raising a child".

The reality of our world today is that parenting is just part of a host of activities required in a family. Child care is distributed between both partners in a two parent family and can be challenging. If both parents work then the issue of child care is critical. The need for child care in a single working parent family is an essential service. Given this reality the ability of parents to access quality, affordable day care has become an issue of critical importance to families and the businesses that rely on these workers.

Recent cuts from the Federal Government to child care industry in BC are having a domino affect on the workforce of BC due to the lack of commitment and responsibility from the Provincial Government to compensate for those federal losses. BC has chosen not to prioritize child care. The costs of this decision are having an enormous negative impact on the ability of BC businesses to attract women, young families and skilled workers in general to the workforce.

With the current skills shortage, challenges to attract and retain employees are critical to business. The provincial breakdown of business shows that of the 371,000 businesses in BC, 364,000 have fewer than 50 employees¹. For small business, it is difficult to attract new workers, or to retain people as larger firms are able to offer higher pay or flexible work hours.

Many younger families find the challenge of balancing family life with work. These men and women find entry and lower level wages, and the costs of child care are such that it is not in their financial interests to work. This is a limitation to the BC economy when a worker that desires to contribute to the GDP is forced to look at other options to working, or working for a small firm with limited access to benefit options.

¹ Small Business Profile 2006, Province of British Columbia, Ministry of Small Business and Revenue, http://www.bestats.gov.bc.ca/data/bus_stat/busind/sm_bus/SBP2006.pdf, 2007, p2.

The Chamber understands that for many, the decision regarding returning to work is a consideration of the economic benefit of working, as opposed to the cost and income loss associated with remaining at home.

We have a current subsidy program that is cumbersome, (long in length and not applicable to low literacy levels, many families find it too difficult to understand or complete without assistance), inequitable to BC families and often results in long turnaround times of up to two or three months for approvals.

The current subsidy threshold for families applying for child care assistance is \$38,000.00/year, this is compared to an average family income in BC of \$62,400. While the subsidy threshold does allow a low income family to access child care assistance it should be noted that a young family would only need to have an hourly income rate of \$19.00/hr @ 2080 hrs/yr to be ineligible.

Child care operating funds have also been affected with the average roll-back approximately \$2 per enrolled child per day or \$40 per month. The federal Child Benefit of \$100 per child under 6 will only support 2.5 days of care per month and most families will also have to pay taxes on that benefit. As well the Benefit allotment does not include children over 6 who also need after school or weekend care. Most facilities are faced with either closure, staff cut-back (affecting spaces), staff wage reductions or increased fees to parents.

Our Child Care Referral and Resource Centers (CCRRs) which provides support, advocacy, and licensing required and informal education to child care operators and families have had their budgets significantly cut resulting in staff reductions, reduced resources and limited ability to provide the regulated services dictated by government. Other Childcare Resource Centres provide similar services in communities.

The last key factor in child care is the lack of qualified child care workers. With the average provincial wage rate of \$13.50/hour and no benefits, many workers have left the industry to seek out better paying professions. The minimum requirement regulated by BC government to work in a licensed setting is a two year diploma program – hardly a wage rate that is reflective of a 2 year college diploma and education investment on the student's part. Most colleges have reduced their training programs to part-time or eliminated it all together as not enough students are taking the training. If things are not improved, the current urgent situation will become critical as approved facilities are unable to maintain minimum staffing levels and finding replacements will exacerbate the situation. So even if more spaces are created, BC does not have enough qualified workers to care for the children.

THE CHAMBER RECOMMENDS:

1. STRATEGIC PLAN

That the provincial government prioritizes and funds child care to develop and implement a comprehensive Child Care Strategy for BC. This plan should include the following:

- a. Substitution of the Child Care Subsidy program with a more inclusive and accessible Child Care Assistance Program that would support all parents requiring regulated and licensed child care.
 - i. Develop a similar system to the child support grid currently used in the courts to determine child support for custodial parents. The amount of child care costs would be determined by Income, determined by T4 and/or Income Tax returns and number of children accessing child care.
- b. The mandate and effectiveness of CCRRs be recognized, in order to ensure it provides consistent and appropriate levels of service.

2. INTERIM STEPS

- a. The province should work with the federal government to ensure that Child Care Operating Funds be set to 2006 levels as a minimum, and levels be reviewed and amended on an ongoing basis.
- b. Ensure funding levels to the CCRR's and other child care resource centres meet needs (use 2006 levels as a minimum) to provide ongoing support and education to parents, care givers, and employers.
- c. Provide Private/Partner capital funding to support new or enhanced facilities to increase additional spaces.
- d. Make active efforts to recruit and retain child care workers, in our increasingly competitive and mobile labour market, by:
 - i. Determining methods to actively promote careers in child care, through tools such as the Ministry of Education's CareerPlanner.
 - ii. Increase funds to support competitive wages and benefits for the industry.

SUBMITTED BY THE TRAIL AND DISTRICT CHAMBER OF COMMERCE AND
THE PRINCE GEORGE CHAMBER OF COMMERCE.

(passed unanimously at May 2007 AGM)