

# THE DISRUPTIVE INFLUENCE OF PROFIT ON ECES



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Budget 2024 promises over \$10 million to increase training for early childhood educators over the next two years. The federal government is calling on provinces and territories to develop workforce strategies that best support the recruitment, retention, and recognition of these essential workers. The ultimate goal? To build “the right foundations for a community-based and truly Canada-wide child care”, one anchored in publicly planned and regulated non-profit services.

However, a stark reality confronts this vision: the pervasive presence of private, for-profit child care. According to the 2022 Canadian Survey on the Provision of Child Care Services, nearly half of all child care facilities in the country operate under the banner of profit-driven ventures. From 2022 to 2023, the number of for-profit child care spaces in Ontario increased by 3.8% under the CWELCC system. Here we face the for-profit challenge.

The for-profit business model directly contradicts the goal of providing quality child care at affordable prices. Ottawa's plan to support primarily non-profit child care providers to expand spaces has not stopped the growth of child care [backed by private equity](#). To investors, child care represents a reliable cash flow, particularly given access to public funding and the widespread demand for early childhood services.

As capital flows into privately-owned centres, the very essence of child care provision is at risk of being reshaped by profit motives. Armine Yalnizyan, a Canadian economist and columnist, explains: "Every day, [the tapeworm economy](#) grows. The escalating profitization of care gobbles up funds that could improve care."

Staffing elements such as wages, benefits, and working conditions make up most of a centre's budget. Profits come from devaluing educators, hiring less qualified staff, low compensation, fewer program resources, and high user fees -- [conditions associated with lower quality care](#) and greater [incidents of violations](#).

This is why public child care matters. It is more likely to have a comprehensive management structure allowing educators to focus on the needs of children and their families. Public child care also attracts and retains [educators equipped with higher qualifications](#), who are more likely to provide personalized, interactive and developmentally appropriate care.

[Dr. Gordon Cleveland](#), an economist specializing in child care policy, emphasizes the importance of designing tools to address public management issues. This involves strategically locating services in areas with the highest need and demand, providing universal access for all children with extra funding where costs are higher, while also advocating for the implementation of fixed and guaranteed fees for parents.

The strategic importance of public management and delivery is it moves child care out of the reach of those who would profit off an essential service for young children.