



New CSLS Report Finds Canada's \$10-a-Day Child Care Program Increased Maternal Employment by 29,000 Workers

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OTTAWA — A new report from the Centre for the Study of Living Standards (CSLS) finds that Canada's \$10-a-day child care initiative has increased maternal employment and generated measurable economic returns. Using Labour Force Survey microdata, the report estimates that the Canada-Wide Early Learning and Child Care (CWELCC) system — which was launched in 2021 with historic investments — increased maternal employment by approximately 29,000 workers by the end of 2025, corresponding to a direct GDP gain of roughly \$2.7 billion annually.

The report, “*The Economic Returns of Accessible and Affordable Child Care in Canada*,” finds that significant progress has been made on affordability, with average child care expenses falling sharply since the introduction of CWELCC.

Progress on access, however, has lagged behind. Despite creating more than 168,000 new child care spaces as of March 31, 2025, access remains constrained, with many families still reporting difficulty finding care, limiting the extent to which lower fees translate into actual use.

“Our analysis suggests that CWELCC reforms are linked to meaningful economic returns by enabling thousands of mothers to participate in the labour force,” said Alisaleh Shariati, Economist at CSLS and author of the report.

Shariati added that, “Looking ahead, the unrealized economic returns are now driven less by affordability than by the challenge of further expanding the child care system. More staffed spaces are needed for expansion, which requires a stronger early childhood workforce. This would allow more families to access child care and, in turn, participate more fully in the economy — delivering even more significant economic benefits for Canadians.”

Key Findings

- **Significant affordability gains:** Between 2021 and 2022, fees across regulated settings fell by more than half nationally. On top of these major reductions, among children aged 0 to 5 using child care, average annual parental expenses fell by roughly \$1,400 between 2022 and 2025, with a larger decline of \$2,400 for centre-based care.
- **Employment effects:** Using Statistics Canada microdata, CSLS estimates suggest that CWELCC expansion has increased maternal employment by approximately 29,000 workers by the end of 2025.
- **Broader economic returns:** The increase in maternal employment corresponds to an estimated direct GDP gain of roughly \$2.7 billion per year or \$13.5 billion over 5 years.



- **Access constraints:** More than 168,000 new child care spaces were created as of March 31, 2025, but waitlists have grown and access remains a significant barrier for many families.
- **Workforce bottlenecks:** Persistent shortages of early childhood educators and assistants remain a key constraint on further system expansion.
- **Large unrealized gains:** Illustrative modelling scenarios suggest that resolving access barriers could unlock an additional \$10.9 billion to \$15.6 billion in GDP in 2025.
- **International evidence:** Evidence from Quebec and other jurisdictions shows that low-cost, universal child care can generate large economic returns through higher maternal employment, higher earnings over the lifecycle, and strong fiscal benefits.

Read the full report [here](#)

About the Report

This report, *The Economic Returns of Accessible and Affordable Child Care in Canada*, was prepared by the Centre for the Study of Living Standards (CSLS) with support from YMCA Canada. The report examines the early evidence on the economic impacts of Canada's Canada-Wide Early Learning and Child Care (CWELCC) system. It assesses the effects of lower child care fees on maternal labour force participation and employment and estimates the resulting economic returns. It also identifies the remaining workforce and access constraints that prevent the system from realizing its full potential.

About the CSLS

The Centre for the Study of Living Standards (CSLS) is Canada's leading think tank focused on productivity, living standards, and economic well-being. Founded in 1995, we provide rigorous, evidence-based research to inform policy and support a more prosperous and equitable society.

Media Contact

Alisaleh Shariati, Economist
Centre for the Study of Living Standards
Tel: 226-234-6747
Email: Ali.Shariati@csls.ca