

The Mirage of \$10-a-Day Childcare: Affordability Without Access

Universal childcare is a powerful tool. Lower cost means more families can afford childcare, leading to more parents, especially women, in the workforce.¹ Increasing female labour force participation improves productivity and increases GDP².

Hence the excitement surrounding then-Prime Minister Justin Trudeau's headline-grabbing promise of \$10-a-day daycare, a policy trumpeted as transformative.³ The April 2026 deadline for the Canada-wide federal objective is fast approaching, prompting many to re-evaluate its efficacy. Almost four years later, parents across the country are languishing on years-long waitlists, searching for care so scarce it might as well not exist.⁴ Affordability without accessibility is an illusion.

The problem is structural. Lowering fees without expanding capacity has created a surge in demand that the system cannot absorb. There are too few early childhood educators (ECEs) entering the field to let childcare centres expand. Furthermore, many ECEs leave within a few years, deterred by long hours, low pay, and limited career prospects⁵. In Ontario, starting wages for ECEs hover around \$20 an hour, barely more than retail jobs and far below the amount needed to retain staff.⁶ The results are that nearly half of all children under five live in “childcare deserts,” areas with more than three children competing for every licensed space (Figure 1).⁷

¹ Enrique Lopezlira, “Supporting Early Childhood Educators Is Smart Economic Policy,” *UC Berkeley Labor Center*, June 17, 2025, <https://laborcenter.berkeley.edu/supporting-early-childhood-educators-is-smart-economic-policy/#:~:text=Supporting%20early%20educators%20and%20expanding,unlock%20economic%20potential%20across%20generations>.

² Bengt Petersson, Rodrigo Mariscal, and Kotaro Ishi, “Women Are Key for Future Growth: Evidence From Canada,” *IMF Working Paper* 17, no. 166 (January 1, 2017): 1, <https://doi.org/10.5089/9781484309247.001>.

³ Employment and Social Development Canada, “New Federal Law Helps Ensure Families Will Benefit from Affordable Early Learning and Child Care for Generations to Come,” news release, March 20, 2024, *Government of Canada*, <https://www.canada.ca/en/employment-social-development/news/2024/03/new-federal-law-helps-ensure-families-will-benefit-from-affordable-early-learning-and-child-care-for-generations-to-come.html>

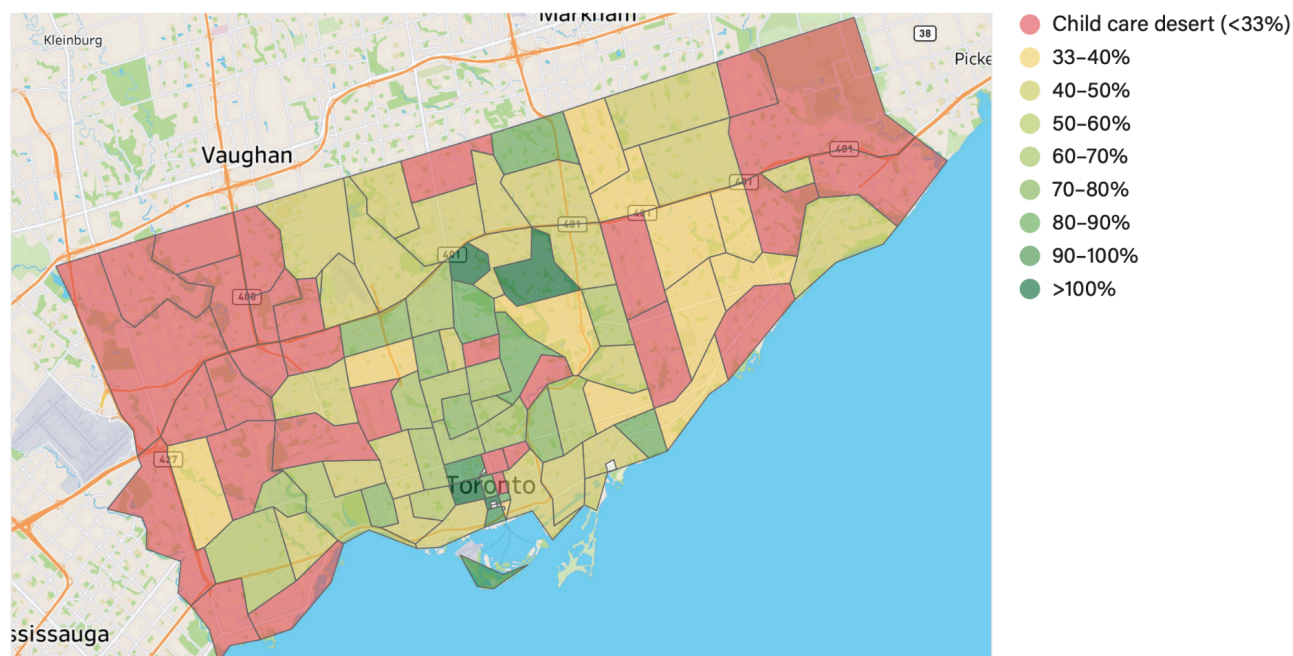
⁴ Matthew Lau, “The Government’s Massive Childcare Plan Has Only Made Waitlists Longer,” *Ottawa Citizen*, June 27, 2025, <https://ottawacitizen.com/opinion/massive-government-childcare-plan>.

⁵ David Macdonald and Martha Friendly David Macdonald, “The Price Is Not Right (et): \$10-a-Day Child Care Falling Short of Target,” *CCPA*, July 22, 2025, <https://www.policyalternatives.ca/news-research/the-price-is-not-right-yet-10-a-day-child-care-falling-short-of-target/>.

⁶ Employment and Social Development Canada, “Early Childhood Educator (ECE) in Ontario: Wages - Job Bank,” *Early Childhood Educator (ECE) in Ontario | Wages - Job Bank*, July 22, 2025, <https://www.jobbank.gc.ca/marketreport/wages-occupation/5189/ON>.

⁷ Martha Friendly and David Macdonald, “Not Done Yet: \$10-a-Day Child Care Requires Addressing Canada’s Child Care Deserts,” *Ottawa: Canadian Centre for Policy Alternatives*, May 2023, ISBN 978-1-77125-642-1, <https://www.policyalternatives.ca/wp-content/uploads/2023/05/not-done-yet.pdf>

Figure 1: Childcare coverage rates by postal code in the City of Toronto



A map of Toronto childcare deserts makes the inequity visible: whole swaths of the city, especially on the outskirts, have almost no licensed spaces. In contrast, downtown cores have higher coverage. This geographic imbalance shows access is not just about affordability, but where families live.⁸

Access is not only widely limited, but inequitable by province. Quebec offers the most affordable and widely available care, while provinces such as Alberta and Ontario lag behind.⁹ In one Ontario region, Kawartha Lakes, the average wait time for licensed child care skyrocketed to 6.4 years by early 2024 up from 3.7 years in early 2022, coinciding with the rollout of the \$10-a-day policy.¹⁰ Many children will age out of daycare before they even make it off the wait list. Childcare should not be a lottery where the lucky few get subsidized spaces and everyone else is left out.

⁸ Friendly and Macdonald, “Not Done Yet.”

⁹Gordon Cleveland Michael Krashinsky. “Our Children’s Future: Child Care Policy in Canada.” *University of Toronto Press*, 2001.

¹⁰ Allison Jones, “Child-Care Wait Lists Balloon in Many Ontario Regions amid \$10-a-Day Program | CBC News,” *CBCnews*, March 1, 2024, <https://www.cbc.ca/news/canada/toronto/child-care-wait-lists-ontario-1.7130656>.

Critics of \$10-a-day argue that the government should step back and let families and privately owned businesses work it out for themselves.¹¹ History proves this does not work. Market incentives do not align with universal access. Childcare is expensive to provide, profits are thin, and centres can charge only what families are able or willing to pay. The result is chronic under-supply in low-income and rural areas, and spiraling fees in big cities.¹²

Before the federal plan began, infant care in Toronto cost more than \$21,000 a year,¹³ more than many families pay in rent. Alternative “parental choice” policies (cash transfers, tax credits) do not expand spaces, but shift costs.¹⁴ For-profit care tends to sacrifice quality. Studies show that for-profit centres pay lower wages, employ fewer trained educators, and experience higher staff turnover than publicly run centres.¹⁵ Parents may have “choice” on paper, but too often the choice is between unaffordable care, inadequate care, or no care at all.

Childcare should not be considered a commodity to be left to market forces, but rather as public infrastructure, on par with schools, hospitals, roads, and broadband internet. Just as transportation and internet access are keys to a productive workforce, so too is available, affordable childcare. A working mother should not be expected to perform daytime childcare any more than she should be expected to build the road she commutes on daily.

Far from being a drain on public finances, universal childcare is among the most profitable investments a government can make. Nobel laureate James Heckman’s research shows that each dollar spent on early learning yields returns of 7 to 13 percent per year;¹⁶ better than most stock portfolios. The payoff comes in the form of higher educational attainment, stronger labour force participation, and lower reliance on social programs. In other words, early childcare is not just social policy, it is economic policy at its most efficient (Figure 2).

¹¹ Matthew Lau, “The Government’s Massive Childcare Plan Has Only Made Waitlists Longer.”

¹² Gordon Cleveland, “Why the Preference for Not-for-Profit and Public Child Care Services? A Submission to the Standing Committee Considering Bill C-35,” Submission to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, *Parliament of Canada*, March 5, 2023. <https://www.ourcommons.ca/Content/Committee/441/HUMA/Brief/BR12268822/br-external/ClevelandGordon-e.pdf>

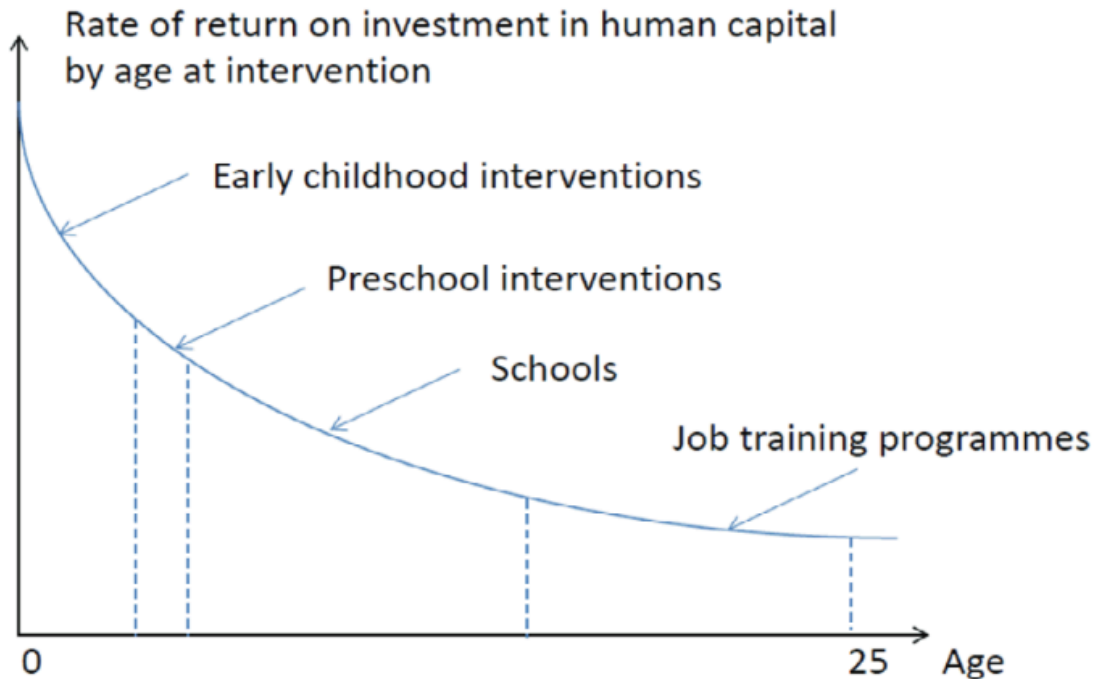
¹³ Gordon Cleveland, Michael Krashinsky, Sue Colley, and Christine Avery-Nunez, “City of Toronto Licensed Child Care Demand and Affordability Study,” *Toronto: City of Toronto*, October 2016, 84, <https://www.toronto.ca/wp-content/uploads/2017/12/8d0a-Community-Services-and-Facilities-Toronto-Demand-Affordability-Study-2016.pdf>.

¹⁴ Cleveland, “Why the Preference for Not-for-Profit.”

¹⁵ Cleveland, “Why the Preference for Not-for-Profit.”

¹⁶ Michael Rosholm, Alexander Paul, Dorthe Bleses, Anders Højen, Philip S. Dale, Peter Jensen, Laura M. Justice, Michael Svarer, and Simon Calmar Andersen. “ARE IMPACTS OF EARLY INTERVENTIONS IN THE SCANDINAVIAN WELFARE STATE CONSISTENT WITH A HECKMAN CURVE? A META-ANALYSIS.” *Journal of Economic Surveys* 35, no. 1 (2021): 106–40. <https://doi.org/10.1111/joes.12400>.

Figure 2: Heckman Curve



The Heckman curve shows that the highest returns on investment come from early childhood education, far surpassing later-stage interventions.¹⁷

Quebec's system, launched in 1997, provides the clearest example. Within two decades of introducing \$5-a-day daycare, the province saw labour force participation of mothers with young children rise by sixteen percentage points.¹⁸ By 2016, women aged 20 to 44 in Quebec had the highest participation rate in the OECD.¹⁹ Economists estimate the additional income tax revenue more than offset the cost of the program,²⁰ turning childcare into a fiscal surplus rather than a liability. As former Bank of Canada governor Stephen Poloz estimated in 2017, if women in the rest of Canada participated at Quebec's rate, the workforce would expand by nearly 300,000 people.²¹ While the \$10-a-day policy sought to recreate the success seen in Quebec, it hasn't worked on a national scale.

¹⁷ Rosholm et al., "Are Impacts of Early Interventions," 108.

¹⁸ Pierre Fortin, "Quebec Childcare at 20: What Have We Learned?" *paper presented at a seminar organized by the Centre for the Study of Living Standards, Rideau Club*, Ottawa, April 24, 2019, 5, https://www.oise.utoronto.ca/home/sites/default/files/2023-10/quebec_child_care_program_articles-compressed_002.pdf

¹⁹ Fortin, "Quebec Childcare at 20," 5.

²⁰ Fortin, "Quebec Childcare at 20," 12.

²¹ Fortin, "Quebec Childcare at 20," 1.

Fixing childcare in Canada means building the system from the ground up, starting with the workforce. A publicly funded wage grid guaranteeing decent pay and benefits would make early childhood education a viable career rather than a stopgap job. Quebec's program, despite its successes, still suffers from variable quality. A national system must avoid this pitfall by enforcing consistent quality benchmarks.

Childcare expansion also requires a capital plan. Childcare deserts will not disappear unless governments fund and plan new centres, especially in rural and suburban areas, just as they site public schools close to where children live. Public money should flow primarily to not-for-profit or publicly owned providers, rather than subsidizing for-profit expansion that often undermines quality. Clear, multi-year targets for spaces, access, and quality are needed, backed by stable federal-provincial funding agreements.

Finally, accountability must match ambition. If billions of public dollars are to be invested, governments must be transparent about where new spaces are opening, how educators are paid, and whether families are actually finding care. In short, childcare expansion must be treated like any other major infrastructure build: long-term, planned, and publicly accountable.

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