

ECONOMIC VIEWPOINT

Five Years of Expanded Childcare in Canada: Why Haven't More Mothers Joined the Workforce?

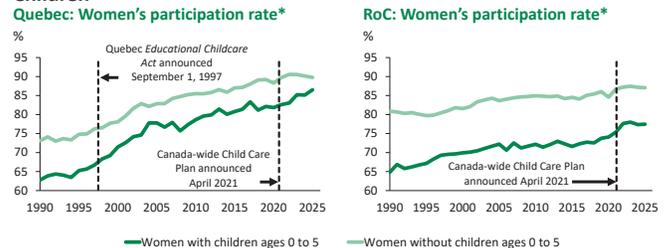
By Kari Norman, Senior Economist, and Florence Jean-Jacobs, Principal Economist

HIGHLIGHTS

- ▶ March 2026 marks five years since the federal government launched the Canada-Wide Early Learning and Child Care (CWELCC) program to expand universal childcare across Canada. But contrary to expectations, labour market participation of mothers with young children has seen limited progress outside Quebec.
- ▶ While other factors were at play during this period, it appears that the scope of the CWELCC agreements, both in lowering childcare fees and increasing access to licensed spaces, has not been enough to narrow the participation rate gap with Quebec. Notably, childcare fees still average \$22 per day in Ontario and \$37 in British Columbia—far from the \$10 federal target. Meanwhile, the proportion of Canadian parents reporting difficulty finding childcare has increased, despite the creation of new spaces.
- ▶ Although Quebec is a clear leader, with higher levels and faster progress for mothers' participation rate, it is not immune to policy challenges. In fact, Quebec—like all provinces—has seen its waitlist balloon in the last few years.
- ▶ If the federal and provincial governments want to meet their engagements and targets, they must prioritize rapidly building new centres and converting more spaces into licensed low-cost childcare spaces. They also need to pay attention to the negative impacts that Return-to-office (RTO) policies may have on women's workforce participation.

The cost and availability of childcare play a major role in mothers' decisions about whether or not to work when they have young children. The introduction of subsidized childcare across Canada in 2021 was therefore widely expected to raise mothers' participation in the labour market by reducing the cost of working. (See box on page 2 for details on the program.) But five years after its launch, progress on that front has been disappointing. Outside Quebec, mothers' labour force participation rate—that is, those who either have a job or are trying to find one—increased 2.6 percentage points between 2021 and 2023, but then partly reversed that gain (graph 1). This pales in comparison to the jump observed in Quebec after it launched its own universal low-cost childcare program in 1997, not to mention the continuous increase in mothers' participation over the last five years.

Graph 1
The Participation Rate Gap Narrowed in Quebec for Mothers of Young Children



In 2025, the maternal participation rate for the rest of Canada was 9 percentage points below Quebec’s for mothers with kids under the age of six. This is a significant gap in labour input that should be taken seriously at a time when Canada’s economy faces considerable short-term and medium-term challenges, including a demographic slowdown, trade uncertainty hampering investments and slow productivity growth.

Box: The Canada-Wide Early Learning and Child Care (CWELCC) Program

In [Budget 2021](#), the federal government announced its plan to create agreements with each province to implement \$10-a-day childcare nationwide, modelled after Quebec’s program launched in 1997. Each of the agreements sets space creation targets by jurisdiction to be reached by March 31, 2026, with [recent arrangements to extend funding](#) through March 31, 2031, in most provinces. An asymmetrical agreement with the province of Quebec focused on further improvements to its existing subsidized childcare system.

Empirical Research Shows a Link Between Universal Childcare and Women’s Labour Participation

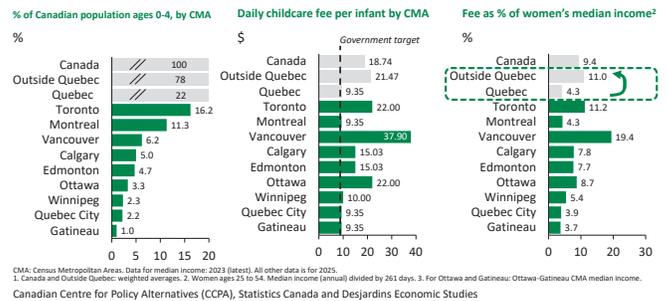
Multiple independent research studies have established a causal link between Quebec’s subsidized childcare program and increased maternal labour force participation. (See literature review in [Lafontaine-Emond, 2021](#), and [Fortin, 2023](#), in French only.) Ten years after its launch, [Lefebvre et al. \(2008\)](#) found that the reform had positive labour supply effects on mothers who benefited from the program when their child was under the age of six. Mothers’ labour force participation increased both during these early years and after their children started school. And although the rise in Quebec women’s labour force participation since the late 1990s is not solely attributable to the affordable childcare program, it does appear to explain most of the increase among women ages 20 to 44 ([Fortin, 2017](#)). According to [Fortin et al. \(2012\)](#), nearly 70,000 more mothers were employed in Quebec than would have been without universal access to low-cost childcare, representing a 3.8% increase in employment.

Most Provinces Are Far from Achieving the Federal Program’s Targets

On affordability, the \$10-per-day or less childcare target has been achieved in half of the provinces—Quebec, Manitoba, Saskatchewan, PEI and Newfoundland and Labrador—as well as Nunavut ([Canadian Centre for Policy Alternatives \(CCPA\), 2026](#)). But childcare affordability

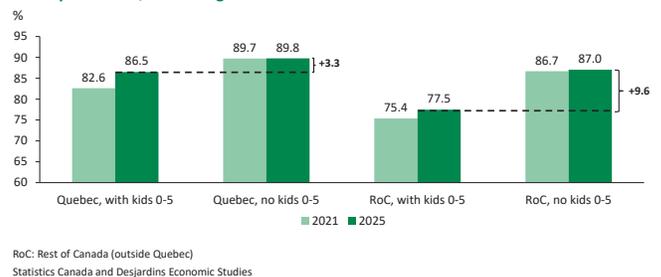
varies widely across cities, and policy headline rates often differ substantially from what families actually pay. Indeed, despite being promoted nationally as “\$10 per day,” daycare costs for families in Greater Vancouver are reportedly between \$32 and \$46 daily (graph 2). Fees are also elevated in Toronto and Ottawa, where families pay about \$22 per day. By contrast, Winnipeg and cities in the province of Quebec have achieved the target of \$10 per day or less. (See appendix on page 6, for average costs in other municipalities.)

Graph 2
Cost of Childcare in Quebec Is Less Than Half That of the Rest of Canada

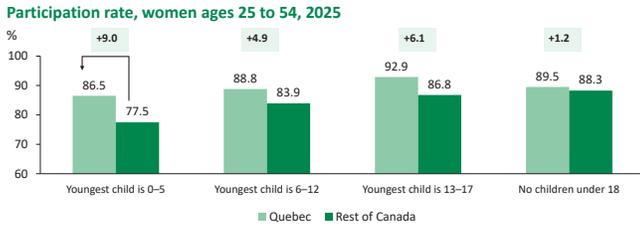


Measured relative to income, these childcare affordability gaps become even more pronounced. For example, Vancouver’s higher childcare fees amount to nearly 20% of women’s median income, whereas fees in Quebec and Winnipeg are closer to somewhere between 4% to 5%. Put simply, childcare fees in Quebec are less than half of what is paid in the rest of Canada, on average, when measured as a share of women’s median income. Given this major difference in affordability, it may not be surprising that the labour force participation gap persists between mothers of young children and other core-aged women outside Quebec (graph 3). This is especially true for mothers of children under six (graph 4 on page 3).

Graph 3
The Participation Rate Gap For Mothers of Young Children Narrowed in Quebec but Persisted Elsewhere
Participation rate, women ages 25 to 54



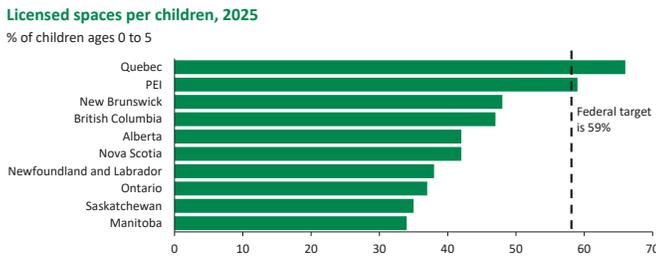
Graph 4
Mothers' Participation Rate Gap Between Quebec and the Rest of Canada Is Largest When Kids Are Younger



Statistics Canada and Desjardins Economic Studies

On availability, only Quebec and PEI attained the federal target of licensed childcare spaces for 59% or more of children under age six (graph 5). Notably, Ontario trails behind with only 37% coverage. This weighs heavily on the Canadian average, given that 39% of children under six live in Ontario. Looking beyond provincial averages, not all parents find a space near where they live. Using granular location data, the Canadian Centre for Policy Alternatives determined that only 6% of children in Ontario live on a block that meets the federal standard of child-to-space availability—a far cry from Quebec’s 66% (CCPA, 2026).

Graph 5
Most Provinces Have Not Reached Childcare Space Availability Targets

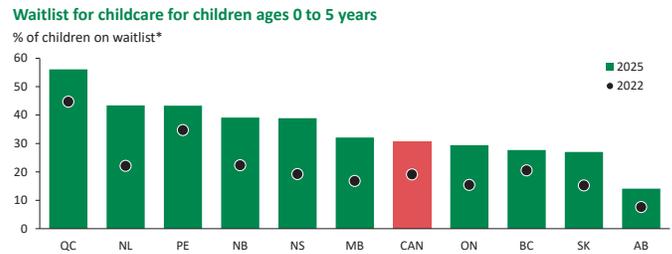


Canadian Centre for Policy Alternatives (CCPA) and Desjardins Economic Studies

Moreover, the share of children on childcare waitlists has climbed from 19% in 2022 to 31% in 2025 (graph 6). Quebec’s situation is the most acute, with 56% of children ages 0 to 5 on waitlists, while Atlantic Canada also exceeds the national average. This worsening availability is all the more surprising given that the number of young children has actually declined over the period (graph 7). In most provinces, the number of young children in 2025 was similar or lower than when the CWELCC program was first launched. That said, waitlist figures have shortcomings. First, they often include infants (born and not yet born) whose parents only want childcare at a much later time, as they intend to take a year or

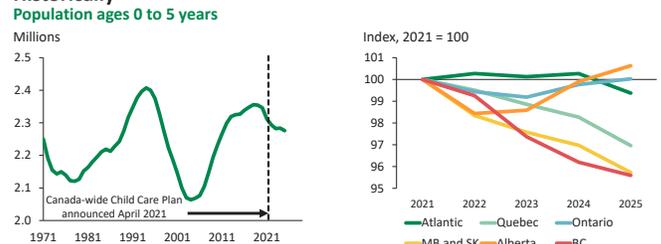
more of parental leave. Second, in provinces without centralized waitlist systems, it’s unclear how much double-counting has affected the reported data. Parents frequently add their children to multiple lists in hopes of getting a placement.

Graph 6
Childcare Waitlists Have Ballooned, Even in Quebec



* Among children not using childcare.
 Statistics Canada and Desjardins Economic Studies

Graph 7
The Number of Young Children Has Declined but Remains Elevated Historically

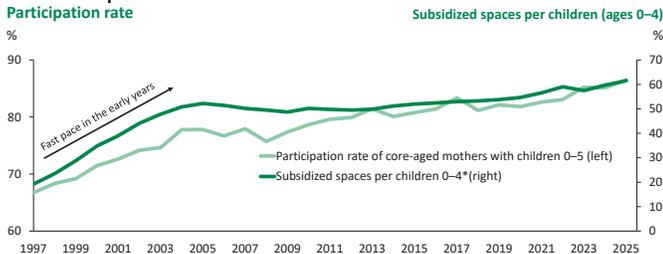


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The Quebec Example Shows That Rapid Progress Is Possible

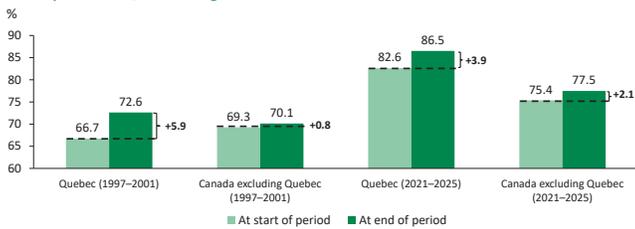
Quebec’s rapid expansion of childcare spaces in the first few years of its program was tracked closely by a sharp increase in the labour participation rate for mothers of young children (graph 8 on page 4). Availability of low-cost childcare wasn’t the only factor at play (higher education levels and societal changes were also important), but these results weaken the claim that the federal program’s modest progress since its 2021 launch is simply a matter of needing more time. Indeed, four years after Quebec’s 1997 launch, maternal labour participation gains were nearly three times greater than those seen for the rest of Canada between 2021 and 2025 (graph 9 on page 4).

Graph 8
Quebec: Mothers' Participation Tracks the Increases in Subsidized Childcare Spaces



* Data is for fiscal year (1997: April 1, 1997 to March 31, 1998). Share of subsidized spaces available per children ages 0 to 4 (does not include kindergarten for 4-year-olds). For 2025: Spaces per children as of December 2025.
 Institut de la statistique du Québec, Ministère de la Famille du Québec, Statistics Canada and Desjardins Economic Studies

Graph 9
Quebec's Maternal Participation Rate Increased Dramatically Following Childcare Program Launch

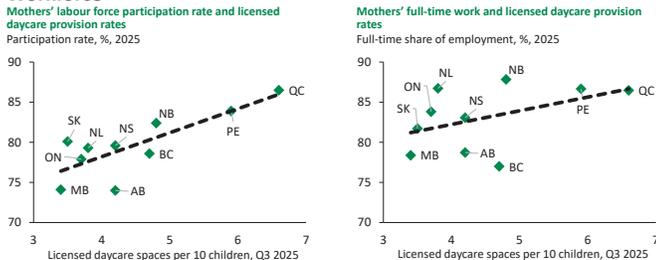


Statistics Canada and Desjardins Economic Studies

The close relationship between available childcare spaces and mothers' workforce participation is not only visible over time, as in Quebec, but also across the country.

Provinces with higher numbers of licensed childcare spaces per 10 children also have higher labour force participation rates for mothers of young children (graph 10, left). Similarly, higher childcare provision rates are also correlated with more women working full-time (graph 10, right).

Graph 10
Strong Correlation Between Daycare Provision and Mothers in the Workforce

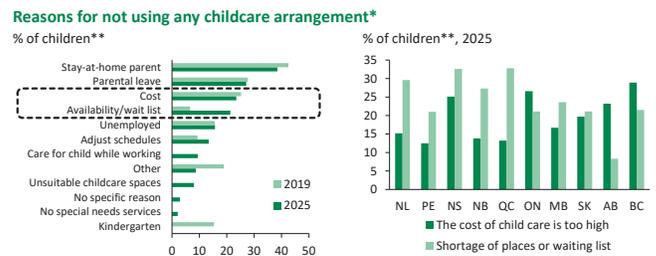


Data are for mothers ages 25 to 54, with children ages 0 to 5.
 Statistics Canada, Canadian Centre for Policy Alternatives (CCPA) and Desjardins Economic Studies

When Childcare Isn't Truly Available, Mothers Lose Out

Mothers of young children have many reasons for not using childcare. Choosing to be a stay-at-home parent remained the primary factor in 2025, followed by being on maternity or parental leave (graph 11). Ranking third and fourth were costs and availability. The share of families citing cost as a barrier to childcare declined only marginally between 2019 and 2025, despite the rollout of subsidized childcare during that period. In contrast, the share of respondents mentioning the lack of available childcare spaces or long waitlists rose sharply over this period, from 1 in 15 to more than 1 in 5. By province, concerns about cost were most common in BC, Ontario and Nova Scotia, while availability was reported most often in Quebec and across much of Atlantic Canada.

Graph 11
Cost and Space Constraints Continue to Limit Childcare Use



* For children ages 0 to 5 years.
 ** Totals do not add up to 100% because parents could select multiple reasons. Not all reasons were included in both years.
 Statistics Canada and Desjardins Economic Studies

The consequences of being unable to find a childcare arrangement are broad. They include postponing return to work (43%), pivoting to become a stay-at-home parent (38%) and working fewer hours (31%) (graph 12). Delays in returning to work can have long-term implications for women's lifetime earnings. Previous work by Desjardins Economic Studies found that not only did mothers earn about 20% less than fathers and women without children, but that the earnings gap persisted even 10 and 20 years after childbirth.

Graph 12
Lack of Available Childcare Impacts Parents' Ability to Work



* Totals do not add up to 100% because parents could select multiple consequences.
 Statistics Canada and Desjardins Economic Studies

Return-to-Office Mandates Could Have Unintended Consequences

Return-to-office (RTO) mandates vary widely across Canada. Ontario required its public servants to return to the workplace five days per week in January 2026, followed by Alberta in February. Quebec set a different standard, mandating a minimum of three days per week in-office for public servants, starting late January. Federally, government executives will shift to five days per week and other employees to four days per week by mid-2026. In the private sector, major employers—especially in sectors such as finance, professional services, and telecommunications—have also increased their in-office expectations in recent years.

The effects of RTO mandates vary by gender. A recent study found that turnover rates rose following RTO mandates, with particularly sharp increases among female employees ([Ding et al., 2024](#)). More departing employees left for lower-ranked roles elsewhere, suggesting that employees were willing to trade off career advancement for workplace flexibility. A [Deloitte](#) study similarly found that nearly 1 in 4 women asked to reduce their hours after a RTO policy was introduced.

Work by [Statistics Canada](#) helps explain why flexible work arrangements matter—particularly for mothers. Remote workers saved more than an hour per day on commuting and about 20 minutes on personal care, freeing up time for other responsibilities. Although both women and men who teleworked spent more time on unpaid housework and childcare than onsite workers, women consistently spent more time in every case. These findings underscore the persistence of “the second shift”—the combined burden of unpaid domestic work that falls disproportionately on women—and how remote work can help accommodate it.

The slight pullback in mothers’ participation rates outside Quebec in 2024 and 2025 aligns with the timing of increased RTO mandates, though several other forces were also at play during this period. Examples include the post-pandemic recovery, high levels of international migration and the recent trade war with the US, which affected employment in exposed industries. Notably, Quebec saw rising maternal participation rates in 2024 and 2025, despite being subject to many of the same external forces.

What Policy Changes Could Further Support Mothers’ Employment?

As with any policy rollout, tracking progress is key to spotting problems and guiding improvements over time. Based on the last five years—and Quebec’s longer-term experience with universal childcare—we have identified many policy changes to consider if federal and provincial governments wish to significantly improve employment outcomes for mothers.

- 1. Expand the supply of licensed, subsidized childcare spaces.** This involves not only rapidly building new centres and converting more spaces into lower-fee licensed spaces, but also fully utilizing the existing ones. For instance, [Ontario’s Auditor General](#) found that many centres consistently operate below full capacity. When increasing the number of childcare spaces, particular attention must be given to neighbourhoods and rural areas with poor child-to-space ratios and long waitlists.
- 2. Improve affordability.** Provinces with higher median childcare costs, particularly Ontario and BC, should rapidly reduce rates to meet the \$10-a-day target.
- 3. Promote flexible work arrangements.** Policymakers should be aware that expanded RTO mandates could partially offset gains from childcare expansion, particularly for mothers in professional roles.
- 4. Improve data collection and transparency.** Comparable data on childcare spaces and waitlists remains limited across provinces. More frequent, granular and standardized reporting is needed to support rigorous analysis and identify where program implementation can be improved.

Conclusion

In an era of competing public spending priorities and limited fiscal room, universal affordable childcare offers a rare example of a more-than-self-funding program. Indeed, research on Quebec’s decades-old universal childcare rollout showed that the apparent public costs of such a wide-ranging program are more than fully compensated over time by increased government income from higher participation rates of women in the workforce ([Fortin et al., 2013, in French only](#)). But between idea and implementation, the last five years show that there is a wide gap. Addressing the two core aspects of the CWELCC program, namely access to licensed spaces and affordability of those spaces, should be a priority focus for provincial and federal policymakers. While availability is a growing concern throughout the country, affordability continues to be a major constraint outside Quebec, with Ontario and BC being particularly unaffordable. Unless these concerns are addressed, women’s labour force participation in the rest of Canada is likely to continue to lag the example set by Quebec, especially since other barriers to participation could surface for mothers as stricter RTO mandates are rolled out. Implications cannot be understated. Any additional difficulties in combining work and family responsibilities could further suppress fertility decisions, at exactly the moment when Canada’s immigration-driven population growth model is under pressure from policy changes.

Appendix

Infant Childcare Fee per Day by City, 2025

City	Daily fee in \$ ¹	% of Canadian population (0–4)	% of women's median income ²
Greater Toronto (ON)	22.00	16.2	● 11.2
Greater Montreal (QC)	9.35	11.3	● 4.3
Greater Vancouver (BC)	between 32.53 and 46.08	6.2	● 19.4
Calgary (AB)	15.03	5.0	● 7.8
Edmonton (AB)	15.03	4.7	● 7.7
Ottawa (ON)	22.00	3.3	● 8.7 ⁴
Winnipeg (MB)	10.00	2.3	● 5.4
Quebec City (QC)	9.35	2.2	● 3.9
Hamilton (ON)	22.00	2.1	● 11.1 ³
Kitchener (ON)	22.00	1.8	● 11.1 ³
London (ON)	22.00	1.5	● 11.1 ³
Halifax (NS)	24.00	1.2	● 12.8 ³
Windsor (ON)	22.00	1.1	● 11.1 ³
Saskatoon (SK)	10.00	1.0	● 5.5 ³
Gatineau (QC)	9.35	1.0	● 3.7 ⁴
Regina (SK)	10.00	0.8	● 5.5 ³
Kelowna (BC)	24.01	0.5	● 12.3 ³
St. John's (NFL)	10.00	0.5	● 5.4 ³
Moncton (NB)	21.00	0.4	● 11.0 ³
Lethbridge (AB)	15.03	0.4	● 7.9 ³
Saint John (NB)	21.00	0.3	● 11.0 ³
Fredericton (NB)	21.00	0.3	● 11.0 ³
Charlottetown (PEI)	10.00	0.2	● 5.3 ³
Subtotal	\$18.74 ((\$21.47 outside Quebec))	64.3	9.4% ⁵ (11.0% outside Quebec; 4.3% in Quebec)

1. In green: target achieved (\$10 or less). Canadian and outside Quebec subtotals are weighted averages. 2. Women ages 25 to 54. Median income is for 2023 (latest).

3. Used provincial median income. 4. Used Ottawa-Gatineau median income. 5. Used Canadian median income.

Canadian Centre for Policy Alternatives (CCPA), Statistics Canada and Desjardins Economic Studies