Child Care Counts for Ontario's Economy

A new economic analysis by Dr. Jim Stanford from the Centre for Future Work shows that the $10aDay child care plan has already delivered major economic returns for Ontario. Despite the system still being in its growth phase, the expansion of child care is proving to be a powerful engine for provincial prosperity.

Main Findings: A Boost to the Provincial Economy and Government Coffers

- Significant GDP Growth: By 2024, **Ontario's GDP was an estimated $13.6 billion higher** than it would have been without the expansion of child care services since 2019.
- A "Profitable" Program for Government: The economic activity generated by expanded child care resulted in **$2.25 billion in extra provincial revenue in 2024** through taxes and other sources. This incremental revenue slightly exceeds the province's net contributions to ELCC services, effectively making it a money-maker for the provincial government.
- Empowering Women in the Workforce: Since 2019, the **labour force participation rate for women aged 25-54 in Ontario rose by two full percentage points**. This shift has added approximately 66,000 workers to the provincial economy.
- Job Creation and Better Wages: **Over 17,000 new jobs** have been created in Ontario's child care sector since 2019. Average wages for these workers (adjusted for inflation) have grown by 15%.
- Reducing Inflation for Families: Across the country, child care costs dropped by 35% between 2022 and 2026. Many Ontario families are saving over $1000 a month. This has provided a **vital buffer against the rising costs of housing, food, and energy**.

The Challenges: Ontario is Still Behind

- **Space Shortages:** Between 2019 and 2025 Ontario added only 38,162 full-time spaces for 0-5 year olds, well below the target it accepted in its CWELCC agreement. There are still long wait lists for child care spaces, and many families are unable to access a CWELCC space.
- **Unmet Fee Targets:** While fees were initially cut by 50%, they have stalled at a cap of $22 per day and an average of $19 per day, missing the target of reaching $10aDay by 2026.
- **Staffing Concerns:** Ontario's Auditor-General has estimated the province will be short 10,000 RECEs, and wages are too low compared to other jobs with equivalent training and responsibility.
- **Reliance on For-Profit Care:** Roughly 44% of spaces remain in for-profit centres, and too much new growth has been in for-profits, despite research suggesting that public and non-profit facilities often provide higher-quality care and lower staff turnover.

OCBCC and AECEO's Policy Recommendations

1. **Secure Long-Term Funding**: The provincial government should sign a new 5-year CWELCC agreement with the federal government to ensure the system remains stable and continues to grow. The Ontario government should increase its own investment in child care to ensure full and sufficient funding.
2. **Invest in the Workforce**: To solve labour shortages, the province must continue improving wages, benefits, and working conditions to attract and retain qualified RECEs, by funding and implementing a pay equity compliant provincial wage grid.
3. **Meet the $10-a-Day Goal**: The province must move past its current $22aDay cap and fulfill the promise of making child care truly affordable at $10aDay per family, with a low-barrier sliding fee scale.
4. **Better Public Planning**: Ontario needs to catch up on its commitment to build new public and non-profit CWELCC spaces, with better planning specifically targeting "child care deserts" where families have little to no access.

July 2026

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