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From Affordability to Expansion: Financing the Infrastructure Needed for Canada's Child Care System

Key Policy Question

If Canada has created the operating funding system for child care, what financing tools are needed to build the infrastructure required to expand it?

Canada has made historic progress in improving child care affordability through the Canada-wide Early Learning and Child Care (CWELCC) initiative. Fees have been reduced, and operating funding has stabilized the sector, driving strong and growing demand. In Ontario alone, nearly 300,000 children are in licensed child care, with at least 144,000 on waiting lists. The central barrier to further expansion is no longer affordability or willingness—it is infrastructure, together with shortages of educators.

Traditional market expansion and financing mechanisms cannot address this gap. Child care operates within a publicly funded system but relies on financing tools designed for private markets. Non-profit providers lack access to equity and collateral, lenders discount publicly funded revenues, and projects are often too small or fragmented to attract institutional capital. As a result, projects that are operationally viable and urgently needed are often not financeable. The issue is not project viability—it is the misalignment between financing tools and the structure of the sector.

The financing tools required to support expansion already exist. Low-cost, long-term loans, blended financing models, and social infrastructure investment vehicles are widely used in sectors such as housing, transportation, and health care. These tools align well with the characteristics of child care: stable revenues, long asset life, and

consistent demand. They reduce upfront capital barriers, spread costs over time, and enable expansion while maintaining affordability and quality.

A renewed CWELCC agreement is foundational. It provides predictable operating funding, supports workforce stability, and creates the confidence required for long-term capital planning. Without it, providers cannot undertake the financial commitments required to expand.

Expanding child care at scale now depends on three actions:

1. Renew the CWELCC agreement with Ontario (2026–2031)
2. Implement the federal government’s \$1 billion child care expansion loan program announced in Budget 2024
3. Establish a Canada-wide child care infrastructure financing system

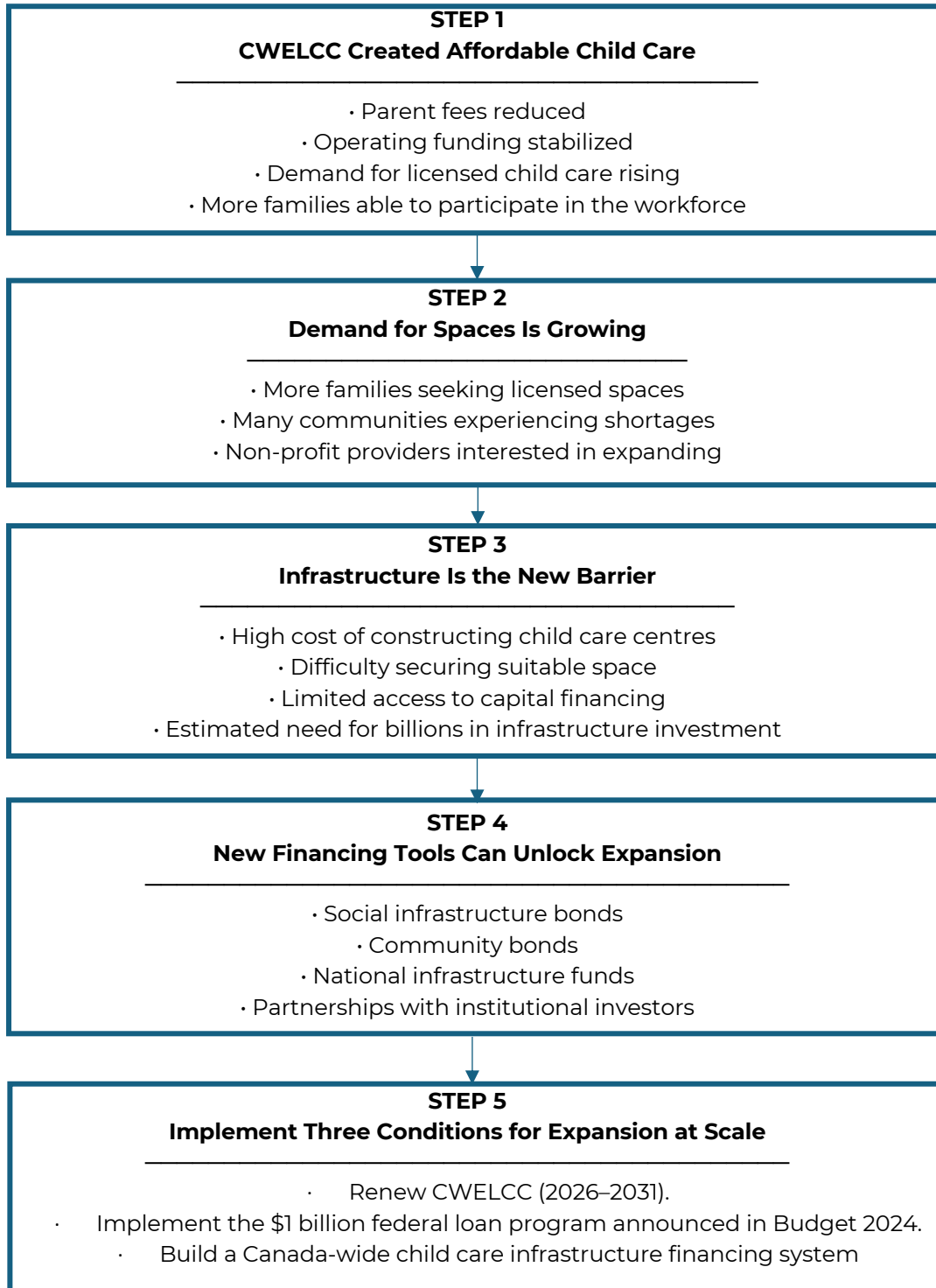
Canada has built the operating model for child care. The next phase is infrastructure.

You don’t need to invent anything new.

You need to finish what you started—and scale what already works.

The Next Phase of Canada's Child Care System

Illustrative framework showing the transition from affordability reforms to infrastructure financing in Canada's early learning and child care system.



Introduction

The Canada-wide Early Learning and Child Care (CWELCC) system represents one of the most significant social policy reforms in recent decades. By reducing parent fees and stabilizing operating funding, it has begun transforming child care from a largely market-based service into a publicly supported system.

As affordability improves, demand for licensed child care spaces is rising rapidly. Ensuring sufficient supply is now essential to achieving the goals of CWELCC.

However, expansion requires more than operating funding. New centres must be built or existing facilities renovated to create additional licensed spaces. Across Ontario and Canada, non-profit providers, municipalities, and community organizations consistently identify access to financing, suitable space, and development supports as the primary barriers to expansion.

The next phase of child care policy must therefore focus on infrastructure. In sectors such as housing, transportation, and health care, governments routinely rely on large-scale financing tools to support capital development. Comparable approaches have not yet been systematically applied to child care.

This paper examines how existing financing tools can be adapted to support the expansion of child care infrastructure at scale.

1. The Next Phase of CWELCC

The Canada-wide Early Learning and Child Care system was introduced with the goal of making licensed child care more affordable and accessible for families across the country. The initiative has focused primarily on reducing parent fees, stabilizing operating funding for providers, and supporting the workforce.

These reforms have begun to reshape the child care landscape. In many jurisdictions, parent fees have been significantly reduced, and programs are increasingly operating within a publicly funded framework rather than relying primarily on parent fees.

Sector leaders report both the transformative impact of affordability and the growing frustration of families unable to access spaces due to shortages.

The transition to a publicly supported system has revealed new challenges. As fees decline and demand increases, many communities are experiencing growing pressure on the supply of licensed child care spaces.

In this context, the policy conversation is beginning to shift. While the first phase of reform focused on affordability and operating funding, the next phase will increasingly focus on **system expansion**.

To expand the system in a sustainable way, governments will need to address two interconnected issues:

- strengthening the operating funding model so that programs can offer competitive wages and stable services
- ensuring that the financing and supports exist to accommodate new child care spaces.

While operating funding remains a work in progress, the infrastructure challenge is becoming increasingly visible.

2. The Infrastructure Barrier

Child care expansion requires more than policy commitments or operating subsidies. Licensed programs must operate in facilities that meet regulatory requirements related to safety, accessibility, outdoor space, and program design. Child care centres require dedicated facilities, long-term planning, and significant upfront capital investment.

Constructing or renovating such facilities can be costly. New centres often require specialized design features, such as child-sized washrooms, secure outdoor play areas, adequate ventilation, and compliance with accessibility standards.

As a result, access to financing, finding suitable locations and expansion supports are significant barriers to the expansion of suitable child care facilities.

- building construction or renovation
- leasehold improvements
- furnishings and equipment
- playground development, and
- licensing and regulatory compliance.

Although governments have historically offered capital grants to support non-profit or public expansion, these programs are often limited in scope and cannot meet the growing demand for new spaces.

For many organizations, particularly non-profit providers, taking on the financial risk of developing new facilities can be prohibitive.

3. Evidence from Operators

Research conducted with child care operators provides important insights into the barriers facing the sector.

The ***Willing but not Able*** (2025) survey of child care providers conducted by Building Blocks for Child Care (B2C2) found that many organizations are interested in expanding their programs but face significant obstacles that prevent them from doing so.

Among the most frequently cited barriers were:

- the high cost of constructing or renovating facilities
- difficulty securing a suitable space that meets licensing requirements
- limited access to affordable capital financing, and
- financial risks associated with major capital investments.

These findings suggest that the current expansion challenge is not primarily a question of willingness among providers. Rather, it reflects structural barriers in the way child care infrastructure is financed.

Demand for Child Care

Demand for licensed child care is substantial and growing. In Ontario: Nearly 300,000 children are in licensed child care (32% of all children aged 0–5). Approximately 144,000 Ontario children were on waiting lists in 2023, with evidence that the waiting list has grown further since fee reductions. Approximately 65% of Ontario’s children aged 0–5 participate in the system through licensed care, kindergarten, or parental leave.

The issue is not demand—it is capacity.

While relatively few projects can be described as “shovel-ready” in a conventional infrastructure sense, this reflects a lack of financing confidence rather than a lack of readiness.

Across Ontario and Canada, there is clear evidence of **latent expansion capacity**:

- long and growing waiting lists
- established non-profit providers with expansion plans
- municipalities identifying priority sites, and
- demonstrated demand across communities

In this context, the issue is not whether projects exist—it is whether the financing conditions exist to allow them to proceed.

With appropriate financing tools in place, a significant portion of this demand could translate into rapid expansion.

4 Why Market Expansion is Insufficient

In some cases, private investment in the sector is driven less by operating revenues than by the value of publicly supported real estate. Returns are often derived from publicly financed capital development—through rents, mortgages, or eventual asset appreciation—rather than from the delivery of child care services themselves.

This dynamic reinforces the need for a publicly aligned infrastructure strategy that ensures long-term community benefit rather than short-term asset gains.

Some policymakers have suggested that the private sector may be able to expand child care services more quickly than governments or non-profit providers. While private operators do play an important role in the sector, relying primarily on market expansion is unlikely to produce the scale or distribution of services required to meet growing demand.

First, child care is a **labour-intensive and relatively low-margin sector**. Most of the program revenue is devoted to staffing costs, leaving limited room for significant returns on capital investment. In a publicly regulated system where parent fees are capped, opportunities for private investors to recover large capital investments are further constrained.

Second, market expansion tends to occur where financial conditions are most favourable, such as rapidly growing urban areas or higher-income neighbourhoods. Without public investment and planning, this can lead to uneven geographic

distribution of services and limited access for families in rural or lower-income communities.

Third, private expansion often relies indirectly on publicly financed infrastructure, such as schools, community centres, or facilities developed through capital grant programs. In many cases, the public sector finances the infrastructure while private or non-profit providers deliver the services.

International experience suggests that jurisdictions with strong early learning systems—including Quebec and several European countries—have relied on **significant public investment in child care infrastructure**, even when a mix of providers delivers services.

For these reasons, market expansion alone is unlikely to generate the scale of infrastructure required to support a fully accessible child care system.

Why Traditional Lending Does Not Work

Conventional lending frameworks are poorly aligned with the structure of child care.

Lenders do not fully recognize publicly funded revenues as stable and reliable, and non-profit providers are often viewed as higher risk due to the absence of collateral. Loan terms are typically shorter than the lifespan of child care facilities, and projects are often too small or fragmented to attract institutional financing.

As a result, projects that are operationally viable and publicly supported are nonetheless unable to secure financing.

The issue is not project viability—it is the misalignment between financing tools and the sector's structure.

For these reasons, market expansion alone cannot deliver the scale, distribution, or long-term stability required to support a universal child care system.

5. The Scale of the Infrastructure Gap

Expanding the child care system requires significant capital investment.

Canada is projected to need tens of thousands more licensed spaces to meet demand for early learning and child care. In Ontario alone, several analysts have suggested that expansion of **240,000 additional spaces** may be required over time to meet projected demand and improve access for Ontario's children. This number

of spaces would meet the government targets to serve 59% of the child population, aged 0-5 years.

Reliable estimates of the average cost of construction are limited. This is because construction is a mix of leasehold renovations and new builds. The cost of renovation projects ranges between **\$25,000 to \$40,000 per space**. The cost of new builds ranges between **\$60,000 to \$120,000**. These prices, of course, depend on many factors such as location, building design, and whether the project involves new construction or renovation.

To achieve a modest expansion of 70,000 additional non-profit spaces over the next five years, it is estimated that three-quarters of these spaces would be renovated or built modularly. In this case, **52,500 spaces could be created at an average cost of \$40,000 per space, totalling \$2 billion**. If, in addition, one quarter of the spaces were new builds at an average cost of **\$60,000 per space**, the total capital investment required could be in the range of **\$1.05 billion** totalling \$3.05 billion.

Expansion of 100,000 spaces (70% non-profit and 30% for-profit) over the next five years would be a realistic goal if financing mechanisms were securely in place.

To achieve enough spaces for 59% of the child population will take longer and cost more. An additional 140,000 spaces could be costed in a similar manner. This would involve the construction of 98,000 non-profit spaces. Divided, as above, between renovation projects and new builds, the following cost can be anticipated:

$$\begin{aligned} 98,000 * 75\% \text{ renovation} &= 73,500 * \$40,000 \text{ (average price)} = \$2.9 \text{ billion} \\ 98,000 * 25\% \text{ new builds} &= 24,500 * \$60,000 \text{ (average price)} = \$1.47 \text{ billion} \end{aligned}$$

For example,

Expansion Scenario	Non-Profit Spaces	Estimated Cost
Expansion by renovations 2026-2031	52,500	\$2.1B
New Build Expansion 2026-2031	17,500	\$1.05
Expansion by renovations (to 59% of child population) = 75% of 98,000*40,000 in the following phase	73,500	\$2.94 B
New Build Expansion to reach 59% of child population in the following phase	24,500	\$1.47B
	168,000	\$7.56B

This funding deserves to be accommodated by the appropriate social infrastructure programs.

6. Why Child Care Qualifies as Social Infrastructure

Public policy increasingly recognizes that early learning and child care is not only a social service but also a form of essential social infrastructure. Like schools, hospitals, and community health centres, child care facilities provide foundational services that support both families and the broader economy.

Child care infrastructure enables parents to participate in the labour force, supports children’s early development, and strengthens local communities. Research consistently demonstrates that accessible early learning programs contribute to improved educational outcomes, increased labour force participation—particularly among women—and long-term economic growth. For these reasons, governments across many jurisdictions now view early learning as a core component of social and economic policy.

Infrastructure investments in child care share many characteristics with other forms of social infrastructure. Facilities such as child care centres are long-lived assets that

typically serve communities for several decades. Their benefits extend beyond the immediate users of the service, producing broader economic and social returns that justify public investment.

Historically, however, child care systems have often developed without the type of infrastructure financing strategies commonly used in other sectors. Schools, hospitals, transit systems, and public housing are routinely financed through long-term capital investment programs and infrastructure borrowing. Child care facilities, by contrast, have often relied on limited capital grants, community fundraising, or private investment.

As governments work to expand early learning systems, treating child care facilities as social infrastructure can help align financing mechanisms with the long-term role these services play in supporting families, communities, and economic development. Infrastructure financing tools—such as social bonds and other capital market instruments—may therefore offer new opportunities to mobilize the resources required to build the next generation of child care facilities.

7. Examples of Existing Federal Financing Models

The federal government already uses a range of financing tools to support social and economic infrastructure. These tools demonstrate how capital can be mobilized to support projects that may not be viable under traditional market conditions.

Through the **Social Finance Fund**, federal capital is provided to intermediaries that invest in non-profit and community-based projects. These investments support initiatives such as affordable housing, community services, and social enterprises that face barriers to accessing conventional financing. Examples include:

- Affordable housing and community infrastructure financing
- community housing projects using **bridge loans and pre-development financing**
- enables projects to proceed to construction stage
- **Social Finance for Social Inclusion Lab**
 - develops financing models to support people with disabilities
 - uses social finance structures to improve outcomes

Through the **Canada Mortgage and Housing Corporation (CMHC)**, the federal government delivers large-scale housing programs that combine low-cost loans, grants, and contributions. Programs such as the Affordable Housing Fund, the Apartment Construction Loan Program, and the Rapid Housing Initiative provide

long-term financing to support capital-intensive development, including projects led by non-profit organizations.

The Canada Infrastructure Bank (CIB) provides financing for major infrastructure projects that deliver public benefits but may not proceed under conventional financing models. Through loans, equity investments, and guarantees, the CIB mobilizes private and institutional capital to support sectors such as energy, transit, and building infrastructure. Examples include:

- **Oneida Energy Storage Project**
 - one of the largest battery storage systems in the world
- **University of Toronto energy retrofit project**
 - ~\$50M–\$56M financing
 - reduces emissions and modernizes infrastructure
- **Financing for multi-unit residential building retrofits**
 - benefits ~14,000 residents
- **Montreal REM** light rail (~\$1.3B loan)
- **GO Expansion** (Ontario)

These examples demonstrate that Canada already has the institutional capacity and financial tools to mobilize capital for social infrastructure. The issue is not the availability of financing mechanisms, but that they have not yet been systematically applied to child care infrastructure.

The table below summarizes how existing federal financing tools operate and their relevance to child care infrastructure.

Table: Existing Federal Financing Tools and Applicability to Child Care

Program / Tool	How It Works	Types of Projects Funded	Relevance to Child Care	Current Limitation
Social Finance Fund (SFF)	Federal capital flows through intermediaries to support social purpose organizations using blended finance	Social enterprises, community services, non-profit housing, inclusion initiatives	Demonstrates use of social finance to support non-market projects	Operates at smaller scale; not designed for capital-intensive infrastructure like child care facilities
CMHC Programs (Affordable Housing Fund, Apartment Construction Loan Program, Rapid Housing Initiative)	Low-cost loans + grants to support housing construction and renovation	Affordable housing, rental housing, co-operative housing, supportive housing	Closest model to child care: supports non-profit providers with long-term financing	Restricted to housing; child care not systematically included as eligible infrastructure
Canada Infrastructure Bank (CIB)	Provides loans, equity, and guarantees to attract private investment in infrastructure	Transit, energy systems, building retrofits, large-scale infrastructure	Demonstrates how government capital can make projects financeable and attract institutional investors	Requires revenue structures not yet applied to child care; child care not currently included
Social / Green Bond Financing (Federal & Public Sector)	Governments issue bonds tied to social or environmental outcomes	Housing, climate infrastructure, public assets	Shows ability to raise large-scale capital aligned with public policy goals	Not yet applied to child care infrastructure at the federal level

How Existing Financing Models Can Be Applied to Child Care

Child care infrastructure shares key characteristics with sectors already supported through federal financing tools: stable revenues, long asset life, consistent demand, and delivery through non-profit and public providers.

Applying these tools would involve extending CMHC-style financing, using blended finance models, enabling pooled investment structures, and adapting Canada Infrastructure Bank approaches.

Child care infrastructure is not fundamentally different from other forms of social infrastructure—it has simply not yet been integrated into existing financing systems.

A Canada-Wide Child Care Infrastructure Fund – already seeded!

In the Spring of 2024, the federal government was well on its way to establishing a new financing mechanism for early learning and child care. There was an announcement in the 2024 budget to establish a \$1 billion low-interest loan and \$60 million in grants through CMHC. This program was to be the foundation for such an Infrastructure Program.

However, it was never implemented. What happened? Was the program secretly cancelled? Is it still making its way through bureaucratic channels?

As described in this paper, it is now urgent for the federal government to revive this program and make it operational as soon as possible.

Such a program could provide capital support to provinces, territories, municipalities, and non-profit organizations seeking to develop new child care facilities. Funding could take the form of:

- capital grants or loans for both renovation projects and new construction
- low-interest loans for non-profit providers
- cost-sharing agreements with provincial and municipal governments
- financing support for projects integrated into community infrastructure developments.

A Canada-wide infrastructure fund could also help ensure that investments are directed toward communities where child care shortages are most acute, including rural areas, underserved urban neighbourhoods, and regions experiencing rapid population growth.

Low-cost, long-term financing provides a practical pathway to expansion. For example, a \$1 million loan at 4% over 20 years results in monthly payments of approximately \$6,060 and an annual cost of approximately \$72,700. These payments can be supported through stable, publicly funded operating revenues. Larger projects require longer amortization periods or blended financing with grants.

Many of these financial tools can be put in place quickly. In September 2025, the federal government announced a special fund for Affordable Housing through CMHC. This fund was rapidly implemented and fully allocated, demonstrating the federal government's capacity to deploy large-scale capital programs efficiently.

The issue is not policy design—it is implementation.

Other Financing Tools

Several other financing tools could potentially support the development of child care infrastructure. Social bonds, social infrastructure bonds, sustainability bonds, municipal social debenture bonds, and, for smaller projects, community bonds could all be harnessed to assist in the expansion of child care spaces in Canada.

This provides a clear precedent: federal systems already exist to deliver large-scale capital programs efficiently. Applying a similar approach to child care infrastructure would accelerate expansion and build sector confidence.

It will, however, need direction and initiation from the federal government. Because the federal government has a strong credit rating and regularly issues large volumes of government bonds, it can borrow at relatively low cost. This makes federal bond financing particularly well-suited to long-term infrastructure investments that deliver broad social and economic benefits.

Proceeds from such bonds could be used to **establish or extend the CMHC Canada-wide loan and grant program** described above.

Finally, the federal government could **expand eligibility within existing infrastructure programs** to explicitly include early learning and child care facilities.

Many current federal infrastructure initiatives support projects related to housing, community development, and social services.

Ensuring that child care facilities are eligible within these programs—particularly when integrated into housing developments, community hubs, or educational facilities—could help accelerate the development of new licensed spaces.

Developing a sustainable infrastructure strategy for child care will likely require collaboration across multiple levels of government.

Municipal governments can play a role by integrating child care facilities into community infrastructure projects and housing developments.

Provincial governments could explore allocating a portion of existing social bond programs or infrastructure financing tools to support child care expansion.

The federal government could support large-scale infrastructure investment through Canada-wide programs or financing partnerships.

Immediate implementation at scale is required to match the urgency of expansion needs.

Why Federal Leadership Matters

Because infrastructure financing typically involves large-scale capital investment and long repayment periods, the federal government often plays a critical role in establishing financing frameworks and mobilizing institutional investment. **Federal participation could therefore help catalyze broader infrastructure investment** in child care by:

- Providing stable long-term financing mechanisms
- Reducing borrowing costs through federal credit strength
- Leveraging private and institutional investment, and
- Coordinating infrastructure development across jurisdictions.

By supporting the development of financing tools that address the infrastructure needs of the early learning system, the federal government could help ensure that the goals of the Canada-wide Early Learning and Child Care initiative can be achieved in practice.

Additional financing approaches could include:

- provincial infrastructure funds (e.g. [Infrastructure Ontario](#))

- partnerships with municipalities
- integration of child care facilities into housing developments, and
- financing support through national infrastructure programs.

Why Institutional Investors are Interested in Social Infrastructure

Institutional investors—such as pension funds and insurance companies—are increasingly allocating capital to investments that deliver stable returns alongside measurable social outcomes.

Long-term and stable investment horizons

Infrastructure assets typically operate over several decades. Pension funds and other institutional investors manage long-term liabilities and therefore seek investments that provide stable returns over extended periods of time. Facilities such as child care centres, schools, and community service buildings align well with these long-term investment strategies.

Predictable demand for essential services

Social infrastructure supports services that communities rely on consistently. Demand for early learning and child care, for example, is driven by demographic trends and labour force participation rather than short-term market cycles. This stability can make infrastructure investments less volatile than many other asset classes.

Alignment with ESG investment objectives

Institutional investors increasingly seek investments that advance social outcomes such as gender equity, economic participation, and community development. Early learning and child care infrastructure supports all these objectives by enabling parents to participate in the workforce, strengthening early childhood development, and contributing to more inclusive economic growth.

Opportunities for partnership with governments

Many social infrastructure projects involve partnerships between governments and private investors. Governments often play a central role in establishing regulatory frameworks, providing operating funding, or guaranteeing long-term service delivery. These partnerships can help reduce investment risk while ensuring that infrastructure projects serve public policy goals.

As a result of these factors, institutional investors are increasingly interested in participating in social infrastructure financing initiatives, particularly when governments create financing mechanisms—such as social bonds—that provide clear investment structures and transparent reporting on social outcomes.

For governments seeking to expand essential services such as early learning and child care, engaging institutional investors through these financing tools may offer a way to mobilize additional capital while aligning infrastructure investment with broader social policy objectives.

Implications for Child Care Infrastructure

These trends in institutional investment are particularly relevant to the expansion of early learning and child care systems. Because child care facilities are long-lived assets that support essential social services, they share many characteristics with other forms of social infrastructure that institutional investors increasingly finance. When governments establish clear financing frameworks—such as social bonds or dedicated infrastructure funds—child care facilities can become part of a broader portfolio of investments that support housing, health care, and community development. By aligning infrastructure financing mechanisms with the growing demand for ESG-aligned investments, **governments may be able to mobilize new sources of capital to support the construction of child care centres** while maintaining public oversight of services that play a critical role in supporting families and economic participation.

Why Child Care Infrastructure Generates Strong Economic Returns

Investments in early learning and child care are increasingly recognized not only as social policy but also as economic policy. A large body of research demonstrates that accessible child care supports labour force participation, improves child development outcomes, and contributes to long-term economic growth.

One of the most immediate economic impacts of child care investment is increased labour force participation among parents, particularly mothers. When affordable and reliable child care is available, more parents can enter or remain in the workforce. This increases household income, expands the tax base, and contributes to overall economic productivity. Studies examining the expansion of child care programs in jurisdictions such as Quebec have found significant increases in labour force participation following the introduction of publicly supported child care.

Pierre Fortin and his colleagues have demonstrated that increased labour force participation resulting from affordable child care can generate sufficient additional tax revenue to offset much of the program's cost.

More recently, Economists Michael Baker, Johnathan Gruber and Kevin Milligan have produced a remarkably important research study: [*Investing in Mothers? The*](#)

Long-Run Impact of a Universal Child Care Program on Maternal Work and Income.

In their words, the paper demonstrates that they provide the first comprehensive estimates of the effects of universal child care on the long-term labour outcomes of mothers. They estimate the lifecycle impact of Quebec's universal, subsidized child care program on maternal labour supply, earnings, social program benefits and tax remittances. They find an enduring positive impact on employment long after children have aged out of the preschool years. There is also a long-run impact on earnings that ultimately grows to twice the size of the participation effect. This arises because of growth in the intensity of labour force participation and a rise in hourly wages over time, suggesting that initial investments in work have multiplier effects later in women's careers. There is clear evidence of occupational upgrading, but most of the growth is within occupation. They show that, as a result, tax remittances grow over the lifecycle, and social assistance and employment insurance receipts fall. They estimate that the fiscal balance of these effects indicates that **the net present value of the flow of fiscal benefits may recapture between 75 and 117 percent of the program's upfront costs.**

Early learning programs also contribute to improved developmental and educational outcomes for children. Research indicates that high-quality early childhood education can support cognitive development, social skills, and school readiness. Over time, these improvements are associated with higher educational attainment, improved employment prospects, and reduced reliance on social assistance and other public programs.

These long-term benefits are often described as the "economic return" on early childhood investment. Economists have noted that **investments in early childhood development can produce returns that exceed many other forms of public investment** because they influence outcomes over an individual's entire lifetime.

Infrastructure investments in child care facilities are therefore closely linked to these broader economic benefits. Without adequate facilities, early learning programs cannot expand to meet demand. By enabling the growth of accessible child care services, infrastructure investment supports the labour market, strengthens families' economic security, and contributes to long-term economic development.

For governments considering new approaches to infrastructure financing, the economic impacts of early learning and child care reinforce the case for treating child care facilities as a form of productive social infrastructure that generates both social and economic returns.

Policy Impact

Taken together, these factors position child care infrastructure as a particularly compelling form of social investment. Early learning facilities generate measurable economic returns by supporting labour force participation, strengthening early childhood development, and contributing to long-term economic productivity. At the same time, they share key characteristics with other forms of social infrastructure that institutional investors increasingly seek to finance, including long asset lifespans, stable service demand, and strong alignment with environmental, social, and governance (ESG) investment criteria. Recognizing child care facilities as productive social infrastructure, therefore, creates an opportunity for governments to align public policy goals with emerging investment trends and mobilize new sources of capital to support the expansion of early learning systems while maintaining public oversight of essential services.

Conclusion

Canada has built the operating foundation for child care.

The next phase is infrastructure.

The tools already exist. The commitments have been made. The demand is clear.

The remaining task is implementation—at scale and with urgency.

With coordinated federal leadership, Canada can move from affordability to expansion.

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