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Rural Precarity Amidst Changing Policy: Childcare in rural British Columbia

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Rural Precarity Amidst Changing Policy: Childcare in Rural British Columbia

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Abstract

Childcare is a ubiquitous issue for economic development across Canada, a challenge exacerbated by rural characteristics like low population density, workforce shortages (e.g., early childcare educators), and limited data. New early learning and childcare regulation has and continues to change the policy environment with the goal of increasing the accessibility and affordability of high-quality childcare. These changes have resulted in successes; however, policy changes have also had unintentional consequences for the viability of rural childcare facilities.

This article presents the results of a rural case study in the province of British Columbia that aimed to understand the business needs and challenges of rural childcare providers and to use these findings to contribute to the creation of constructive business solutions. Results also identified that the changing policy environment is presenting unanticipated challenges to childcare viability, resulting in a largely unrecognized risk of increasing sector precarity and potential loss of existing rural childcare providers.

We identify interventions, both at the regional and provincial scale, that may help in the short term to improve business operations and alleviate unintentional sector vulnerabilities related to changing policy. Interventions include proactive outreach to childcare providers to build relationships and increase knowledge of available support programs, offering in-person one-on-one support, enhancing short-term stability and predictability by providing timelines for policy change, and the creation of on-call or casual workforce services that can easily serve multiple small childcare providers.

Keywords: Childcare, rural economic development, policy change

Précarité rurale face à l'évolution des politiques : Garde d'enfants en Colombie-Britannique rurale

Résumé

Les services de garde d'enfants constituent un enjeu omniprésent pour le développement économique du Canada. Ce défi est exacerbé par les caractéristiques du milieu rural, telles que la faible densité de population, la pénurie de main-d'œuvre (par exemple, d'éducateurs à la petite enfance) et le manque de données. La nouvelle réglementation en matière d'apprentissage et de garde des jeunes enfants a modifié et continue de modifier le contexte politique afin d'accroître l'accessibilité et l'abordabilité de services de garde de qualité. Ces changements ont donné lieu à des succès; toutefois, ils ont également eu des conséquences imprévues sur la viabilité des services de garde en milieu rural.

Cet article présente les résultats d'une étude de cas menée dans une région rurale de la province de la Colombie-Britannique. Cette étude visait à comprendre les besoins et les défis des fournisseurs de services de garde d'enfants en milieu rural et à utiliser ces résultats pour contribuer à l'élaboration de solutions commerciales constructives. Les résultats ont également révélé que l'évolution du contexte politique pose des défis imprévus à la viabilité des services de garde d'enfants, ce qui entraîne un risque largement méconnu d'accroissement de la précarité du secteur et de disparition potentielle des prestataires de services de garde d'enfants existants en milieu rural.

Nous avons recensé des interventions, tant à l'échelle régionale que provinciale, susceptibles d'améliorer à court terme les activités commerciales et d'atténuer les vulnérabilités involontaires du secteur liées aux changements de politiques. Ces interventions comprennent des démarches proactives auprès des prestataires de services de garde d'enfants afin d'établir des relations et d'accroître leur connaissance des programmes de soutien disponibles, l'offre d'un soutien individualisé en personne, une meilleure stabilité et prévisibilité à court terme grâce à la mise en place d'échéanciers pour les changements de politiques, et la création de services de main-d'œuvre occasionnelle ou sur appel pouvant facilement desservir plusieurs petits prestataires de services de garde d'enfants.

Mots-clés : garde d'enfants, développement économique rural, changement de politiques

1.0 Introduction

Childcare, like housing and transit, is a topic that continuously emerges as a pervasive, underlying challenge to rural economic development (Friendly et al., 2016; Union of BC Municipalities & Coalition of Child Care Advocates of BC, 2018; Hammond, 2023). Childcare is not a uniquely rural challenge—it is ubiquitous across communities of every size in Canada. However, rural considerations add unique aspects to the challenges of childcare, including issues related to demographics (e.g., low population density), workforce (e.g., shortage of qualified staff), availability and accessibility of desired services (e.g., childcare during evening, overnight, weekends), and limited community level understanding due to poor rural data availability (Friendly et al., 2016; Union of BC Municipalities & Coalition of Child Care Advocates of BC, 2018). Childcare services are increasingly being seen as essential, but for rural places the expectation remains that the more rural and remote the community, the fewer of these services will exist (Nelson & Nguyen, 2023).

There have been systemic shifts in childcare services across Canada, with the Government of Canada initiating a nation-wide plan related to early learning and childcare and investing \$30 billion from Budget 2021 into affordable, regulated childcare, developing separate agreements with provinces and territories (Department of Finance Canada, 2021). Having initiated the *Childcare BC* plan in 2018, the Government of British Columbia (BC [Province]) was the first to sign the Early Learning and Child Care Agreement (2021) with the federal government, and introduced the *Early Learning and Child Care Act* in September 2024, committing to making childcare in BC affordable, inclusive, and culturally safe (Government of British Columbia, 2024a). The act includes content related to financial supports (benefits and grants) for the purposes of improving affordability, access (including new facilities), and inclusivity, as well as annual public reporting requirements (Early Learning and Child Care Act, 2024; Government of British Columbia, 2024b). Within this changed regulatory environment, the province has been developing, testing, and refining a suite of related policies, including workforce programs (e.g., wage enhancements), reducing costs to parents (e.g., \$10 a day programs), the creation of Indigenous specific care programs, and increasing the number of licensed spaces available (Government of British Columbia, 2024c).

As the policy environment changes, existing licensed childcare providers across BC have reported struggles with costs, staff shortages and losses, burnout, and other challenges (Early Childhood Educators of BC, 2023). These challenges can vary dramatically by region and community, often exacerbated by place-specific conditions (Union of BC Municipalities & Coalition of Child Care Advocates of BC, 2018). In the rural Kootenay-Boundary Region of southeastern BC, access to childcare is one of the lowest-scored determinants of well-being in the region, despite childcare providers receiving increased provincial support, as well as an increase in the number of available spaces (Government of British Columbia, 2023a; Jones & Pehudoff, 2024). Within the region, the difference between population data and the number of childcare spaces indicates a substantial gap in potential childcare needs (Jones, 2024). Childcare is discussed as a barrier to economic development in the region, particularly as a workforce challenge—both in terms of finding people to work in childcare, but also the absence of childcare creating challenges for recruitment as well as preventing parents (primarily women) from re-entering the workforce (Community Futures East Kootenay, n.d.).

Since 2021, Community Futures East Kootenay (CFEK), a regional business support and economic development organization, has been playing a role in supporting the childcare sector (Community Futures East Kootenay, n.d.). In 2024, CFEK and Selkirk Innovates completed a collaborative project that aimed to understand the business needs and challenges of licensed childcare providers and to contribute to the creation of constructive business solutions that would support sector sustainability in the long term. The following case study article presents the results of this project and examines the unexpected risk of increasing sector precarity and potential loss of existing childcare providers because of challenges associated with this period of policy transition.

We begin with an overview of the regulatory changes and shifting childcare policy landscape in BC. This is followed by an overview of the case study region, project scope and approach, and the current state of childcare within the region. The findings section presents the challenges and needs identified by licensed childcare providers, followed by a discussion of how these challenges, combined with the unintended consequences of an uncertain policy environment, equate to a policy failure, contributing to sector precarity and risking loss of already insufficient childcare services. The article concludes with recommendations aimed at improving supports for childcare businesses.

2.0 Childcare in British Columbia

Historically, childcare was driven by the market economy, resulting in high costs that were unaffordable for many families and which disadvantaged certain populations (Government of British Columbia & Union of BC Municipalities, 2021). This led to a patchwork of services across BC, with service location and level often directed by profitability rather than need. Beginning in 2018 the Government of BC committed to building a universal childcare system within ten years through the creation of the *Childcare BC* plan (Province of British Columbia, 2018), signing an agreement with the federal government for \$3.2 billion over five years, and confirming the Province’s commitment to affordable childcare with the 2021 Early Learning and Child Care Agreement, which provided the foundation for the 2024 *Early Learning and Child Care Act* (Government of British Columbia, 2024a). BC’s vision for childcare describes it as accessible and inclusive, and as “a publicly funded and coordinated system of childcare offered by many operators and available in a variety of settings” (Government of British Columbia, 2025a).

Included in BC’s plan was the launch of multiple programs aimed at reducing costs to families and increasing service availability. This included the launch of a \$10/day program at select sites in 2018, with parents paying \$10, and the Province providing additional funds to providers (Government of British Columbia, 2024c). In December 2022, childcare fees were cut by up to \$900/month at licensed facilities that participated in the Child Care Fee Reduction Initiative. This meant that users saw a substantive reduction in cost, but it limited providers to increasing fees by 3% per year (Ministry of Education and Child Care, 2022). In December 2023, the Province invited some existing \$10/day sites to be part of testing an Operating Funding Model where participating childcare providers can request additional funds to cover costs. The provincial goal is that eventually all funding streams will be moved into one formula-based model, including implementing an early childhood educator wage grid (Government of British Columbia, 2023c).

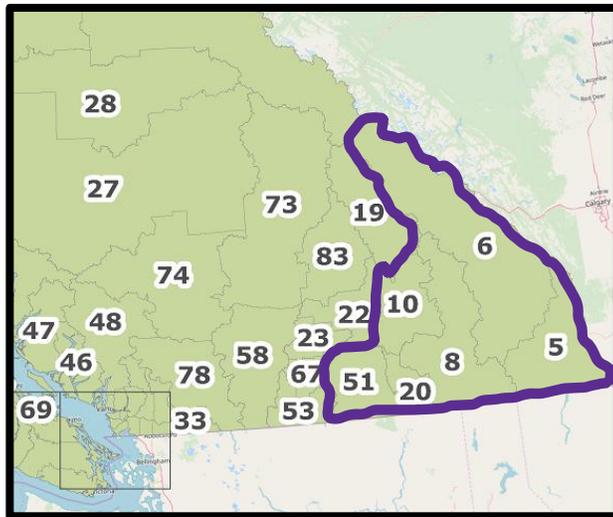
Progress has been made at a provincial level. By 2024 the number of \$10/day spaces was over 15,000, up from 2,500 in 2018 (Government of British Columbia, 2024c). The target of 30,000 more licensed spaces by 2025, using 2018 as the baseline year, has been met to some extent, but not all spaces are open (more than 15,000 spaces are still in development, although funding has been committed). Testing of new programs is ongoing and in the interim the policy landscape within which licensed facilities work remains in flux.

3.0 Childcare in the Kootenay Boundary

3.1 The Case Study Region

The case study region, the Kootenay-Boundary Region of BC, is situated in the southeastern corner of the province. Given the project’s focus on childcare, the boundaries of the study region were delineated by Provincial School Districts, with the case study region including School Districts 5, 6, 8, 10, 20, and 51 (see [Figure 1](#)). The total number of licensed facilities differs by School District, owing in part to differences in population size (see Figure 2). The study region is considered to be entirely rural, based on BC’s definition of rural: municipalities or electoral areas with a population of less than 25,000 that are outside the Lower Mainland and Capital Regional District (Government of British Columbia, 2022). Relative to other rural regions in Canada, the study region can be considered economically diverse, however the level of economic diversification varies across the region, with some communities remaining dependent on traditional natural resource industries (e.g., forestry, mining) and others dependent on tourism (ETSI-BC, 2023).

Figure 1: BC school districts.



Source: Modified by authors (Government of British Columbia, n.d.-b).

Figure 2: Licensed childcare facilities by school district within the case study region.



3.2 Research Approach

The project aimed to understand the business needs and challenges of childcare providers in the study region, and to contribute to constructive business solutions that would support long-term sustainability. This goal was supported by four objectives:

1. Describe the regional landscape of childcare providers.
2. Identify childcare provider needs and challenges.
3. Match childcare providers with relevant existing supports and services.
4. Discuss potential future solutions to identified challenges.

To meet these objectives, a mixed method case study approach was used. A student researcher was hired to conduct secondary and primary data collection, with analysis and knowledge mobilization led by research faculty and the community partner (CFEK). An advisory group was formed to guide the project, with representation from key regional organizations, including school districts, childcare resource and referral organizations, and regional and provincial representatives from the economic development sector. The advisory group contributed to project design, connected the research team with childcare providers, provided advice and direction based on results, and raised the profile of the project.

The project focused exclusively on licensed childcare providers, including group childcare, multi-age childcare, in-home multi-age childcare, family childcare, preschool, and school-age care programs—collectively referred to here as licensed facilities or facilities. The project included all auspice types (i.e., public, non-profit, for-profit, family/home-based), as well as facilities that participate in government programs and those that do not. A regional inventory of licensed facilities was created using existing data sources (e.g., Government of British Columbia, n.d.-a; Interior Health, n.d.), as well as referrals made by the advisory committee. This inventory identified the name of licensed childcare facilities, primary operators, location (school district), and publicly available contact details. Data related to the specific business structure and number of licensed spaces at the organizational level were not readily available. The inventory was used to gain an accurate understanding

of the landscape of licensed childcare in the region and to form the basis for primary data collection. A total of 159 licensed childcare facilities were identified.

A 33-question survey was created by the project team with input from the advisory committee. The survey questions were built on the framework provided by a standardized regional business retention and expansion survey (MacDonald, 2016), but with specific wording designed for sector applicability based on guidance from the advisory group. Research ethics approval was received from the Selkirk College Research Ethics Board (#2024-002). The survey was hosted online through Survey Monkey. While the survey was not intended to provide a representative sample size, a limited number of surveys were conducted through targeted interview style data collection to ensure representation from facilities across the region and to increase the level of qualitative data collected. Invitations were distributed directly to each childcare centre identified in the inventory via a combination of phone and email. The project team and the advisory committee used their networks to encourage participation.

Data analysis included a detailed review of the raw survey data—removing duplicates and ineligible responses, followed by the creation of descriptive statistical summaries for each question. Open-ended, qualitative questions were reviewed to identify common groupings of responses, which were turned into categories and used to summarize qualitative results. A subset of questions was identified for further analysis to explore potential linkages across questions, or differences by respondent category (e.g., differences in responses by school district, business size). Aggregate results are presented in Section 4, with notable similarities and differences identified.

Survey results were used to generate a summary of identified business needs and challenges, which was reviewed alongside an inventory of existing business support programs in order to identify where existing programs may address needs and where there were gaps.

Following the completion of the survey, focus groups were held to gather expanded data on select survey results and to pursue additional discussions related to workforce and business supports. Based on a discussion of survey results with the advisory committee, we initially aimed to host four focus groups, differentiating participants by business stability (stable or unstable) and size of facility (based on staff numbers, selecting a point that separated the data set in half—small <5 staff and large >5 staff). Due to a low initial response rate, the approach was revised to two focus groups, one for small facilities (<5 staff) and one for large (>5 staff). Focus groups were held online in the evenings to maximize participation. Focus groups were recorded, and the data collected was analyzed using qualitative coding to summarize results and identify emergent themes. These findings were used to elaborate on or add additional context or clarification to survey findings.

It is important to acknowledge the parameters and limitations of this project. This was an applied research project, framed from the perspective of an external business support organization. All licensed auspice types were included, as all are potentially eligible for support programs that aim to improve business operations. However, the authors' ability to conduct a detailed analysis for different auspice types is limited by the parameters of the project (e.g., time) and the design of the survey, which prioritized the research partner's information needs rather than academic considerations. As a result, we present this as a case study, for discussion, and encourage further research of our findings.

4.0 Regional Childcare Landscape Overview

Data from provincial and national scales demonstrate a persistent shortage of childcare spaces (e.g., Statistics Canada, 2025; Government of British Columbia, 2024c), and the Kootenay-Boundary Region is no different. The case study region had 4,187 licensed childcare spaces as of June 2025, 252 of which were dedicated to school-aged care (Government of British Columbia, 2025b). The remaining 3,935 spaces account for 48% of the population aged five and under (estimated at 8,272 as of 2024) (BC Stats, 2025). The relative availability of childcare varies by school district and across care types, with dedicated care for children under three years old being especially scarce (Jones, 2024). As noted in section 3.2, there is no data publicly available on the business structure or spaces at individual licensed facilities in the Kootenay Boundary region, therefore, we are not able to assess how our survey sample compares to the total population.

Of the 159 licensed childcare providers identified in the inventory and invited to respond to the survey, we received 75 responses (47%), six of whom also participated in the focus groups. We received responses from each of the school districts in the case study region, but response rates were inconsistent between the school districts. This is particularly evident in School District #5, which had the largest number of licensed childcare facilities but the lowest participation rate.

Half of responding childcare facilities were non-profit societies (50%), followed by sole proprietor/ single owner-operators (30%), for profit businesses (16%), and other (e.g., school district or local government, 4%). The majority of respondents represented childcare centres providing group care for children outside their homes, with a minority (14 facilities, or 19%) representing licensed in-home or family childcare. Based on how long organizations have been operating, most childcare facilities can be considered well-established, in operation for over five years, with some in operation for over twenty years. In response to whether respondents knew of any plans to sell or close their facility in the next five years, the majority (89%) responded no. Of the 11% who said yes, while most indicated this was due to retirement or personal reasons, 3 cited financial sustainability and challenges with licensing and government requirements.

From a staff perspective, a large portion of respondent facilities were small in size, based on employee estimates, with 49% having fewer than five staff, and 36% having between six and fifteen staff. These findings reflect the region's rural nature with a small population spread out over large distances, necessitating multiple, small service facilities and indicating the common rural challenge of lack of economies of scale.

In terms of services provided, the majority of respondents follow a traditional Monday to Friday work week (5 days per week) (90%) and traditional working hours—typically in the range of 7 am to 5 pm, between eight and nine hours (80%). This substantiates that there is a gap in childcare services for those who work outside of these hours. This is a gap that exists across Canada, where only a small number of facilities offer weekend care (5%), evening care (3%), or overnight care (1%) (Statistics Canada, 2024).

Available care among respondent facilities varied by age group, both for the region as a whole and between school districts. For the case study region as a whole, available care for ages 0–3 is significantly less than the population of the same age group, while more care is available for ages 3–5 (Jones, 2024). Between school districts, we found that the type of care provided by respondent facilities varied,

particularly for ages 0–3 and school-aged children. In one school district (#10), the only licensed spots reported were for ages 3–5. The majority (89%) of respondents indicated that demand currently exceeds space, as exemplified by one respondent’s observation that “waitlists are long, and we have actually closed them in an attempt to manage the sheer length of them.” This finding was consistent across the region, and across provider type and size, and was most often linked to workforce challenges, required staff to child ratios, and temporary issues. The percentage of facilities that is unable to meet demand is higher among respondents than British Columbia as a whole, where 74% of facilities are operating at maximum capacity (Statistics Canada, 2024).

From a financial perspective, when asked if, under current operating conditions, organizations were financially sustainable in the long term (10+ years), 29% of respondents said no. Those who responded no included facilities from four of the six school districts. For-profit facilities (businesses and sole proprietorships) were more likely to say they were not financially sustainable over the long term (33%) than non-profit facilities (all other respondents, 26%). A higher proportion of in-home facilities indicated they were not financially sustainable over the long term (50%), with other auspice types ranging between 20–33%. There was not a significant difference in financial sustainability between all respondents and just those who participated in the government funding programs described in Section 2, nor was there a difference based on the size of the facility.

When asked to explain why they were not financially sustainable, respondents most commonly cited restrictions imposed through the government funding programs, providing comments like: “The funding model at \$10 a day programs does not allow for several costs like audit fees and wage increases. This means we run programs at a deficit and will not be sustainable long term” or “the base costs of running a child care centre continue to increase and so do the wages. Wages have continued to increase in order to keep staff and gain new staff. At the same time we are unable to increase our revenue because of government funding restrictions.”

The majority of respondents (76%) participate in the BC Child Care Fee Reduction Initiative, with a smaller number (33%) being a \$10/day site. When asked if this financial support allowed them to meet requirements and cover expenses, the results were mixed. On average, 80% of respondents said the Fee Reduction Initiative provided funding that covered operating expenses, but this varied by age—higher for school-aged children (83%) and lower for ages 0–3 (75%). There was also variation by operating structure, with nonprofit organizations more likely to respond that they were unable to meet program requirements while also covering expenses using CCFRI. As observed by one respondent, within the current fee structure mandated by the Fee Reduction Initiative, there is no or limited opportunity to deal with unexpected expenses or cost increases.

5.0 Business Challenges and Needs

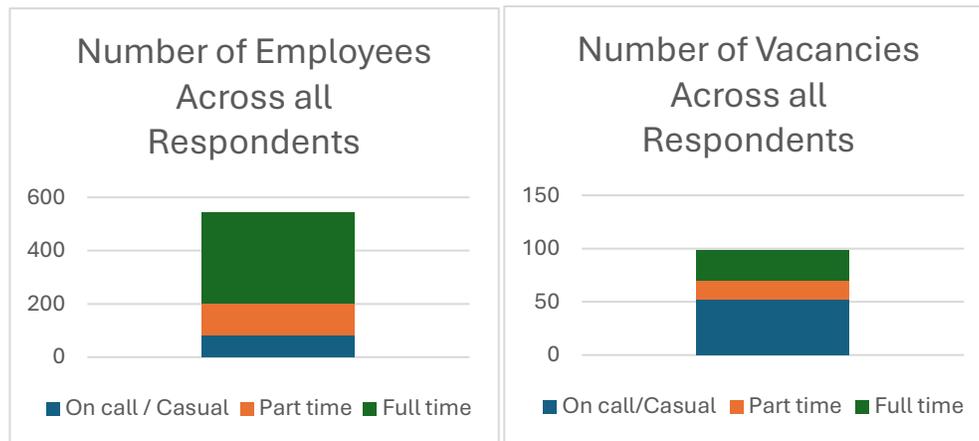
5.1 Challenges

In the survey, respondents were asked to rank a list of challenges they faced related to business operation. The challenges listed were designed to focus on the business management component (e.g., human resources), rather than related childcare-specific topics (e.g., increasing behavioral issues). On average the top three challenges were: (1) Balancing revenue and workload (the ability of childcare

providers to cover the costs of quality care with the money earned through fees, grants, subsidies, and fundraising); (2) Human resources (workforce attraction, retention, etc.); and (3) Administration (record keeping, licensing, reporting), with minor variation in the order of prioritization by school district and license type. In-home and family childcare more often ranked balancing revenue and workload as #1, while this was more often ranked as #2 for the other provider types. Respondents were then asked to consider their ranked responses and speak to the most significant challenge to their organization. In the related comments, workforce was dominant, primarily staff attraction and retention. Also discussed were costs, pay, employee expectations, and other insights relating to balancing revenue and workload, physical space, and a changing policy environment. Focus group discussions substantiated the workforce as a critical issue, identifying the overlap between workforce challenges and business administration challenges.

The workforce represented by respondents totaled 545 workers and 98 vacant positions. While the majority of employees were full time, the majority of vacancies were for on call or casual positions (see Figure 3). There was wide variation in the hourly wages paid to staff (e.g., ECE wages ranged between \$19 and \$30/hour before the application of wage enhancements made possible through various funding programs). On average, respondents indicated they would like to pay their staff more, with 74% indicating that what they pay staff is not appropriate for the required qualifications and experience.

Figure 3: Current employees versus vacant positions.



Most respondents (70%) indicated recruitment is a challenge, and just over half (52%) indicated retention is a challenge. Factors influencing recruitment included workforce shortages, wages, and a lack of qualified applicants, while the top three factors noted to influence retention were wages, working conditions, and challenging child behaviors. Availability of housing was the #4 influencing factor for both recruitment and retention. Results about workforce recruitment echo findings from the national scale, where, in 2024, 81% of centre-based care facilities reported difficulties filling vacant positions, most commonly citing a lack of skills and experience among the workforce and insufficient applications (Statistics Canada, 2025).

Of those who responded that they were not having issues with recruitment, only a small number (eight) were not sole proprietors; we could therefore not investigate

patterns related to facility characteristics. However, most respondents who indicated they were not having issues with retention were non-profit organizations (83%) and larger facilities with more than five staff (77%). This reflects Friendly et al.'s 2021 finding that non-profits experience fewer workforce challenges. The most commonly cited contributing factors to workforce retention were a positive working environment and a competitive compensation package. These facilities were more likely to have paid planning time, paid personal development, health care, and competitive wages—indicating that wages are only one component of the workforce challenge.

The focus groups affirmed workforce as a critical issue and underscored the overlap between workforce and business administration challenges. However, substantial differences were noted between large and small facilities in their ability to attract and retain staff, with smaller facilities being more likely to need casual or on call staff to provide coverage during illness, vacation, or professional development. Other jurisdictions in Canada have noted similar challenges with small facilities. For example, Woodman et al. (2025) found that home-based care providers struggle to take time off work.

5.2 Needs and Supports

As noted in the above section, balancing revenue and workload and administration were two of the top three challenges. All focus group respondents expressed a lack of time to fulfill business administration responsibilities, although this was felt to be worse in smaller facilities without the staff to have overlapping shifts and dedicated administrative time or staff.

Survey respondents were provided a list of current regional business support providers and programs and asked which—if any—were used. The results indicate that the childcare-specific organizations (e.g., childcare resource and referral centres) and programs (e.g., wage enhancements) were the most well-known supports. Related qualitative data from open ended questions suggested that this is a result of deliberate and targeted outreach. Results also indicated that many facilities were not aware of the full range of business-specific support organizations and programs that exist within the region. Additional questions probed the reasons behind challenges accessing support organizations and programs (acknowledging that some said no challenges exist). These results indicated that the absence—or perceived absence—of available and relevant support was the top issue. This was followed by negative experiences, gaps in funding, and a lack of, or challenge finding, information about services offered. For specific programs, the top issues were eligibility criteria, a lack of time for the childcare provider to participate, and the availability or timing of programs.

The topic of accessing support organizations and programs was further explored within the focus groups, where participants focused on barriers related to human and financial capacity (the time to identify supports and the funds to pay for them), knowledge of what is available (navigating the landscape), accessibility (timing), and eligibility. Again, smaller facilities were at a greater disadvantage in terms of the time available to access supports, noting they felt left out of opportunities.

When asked about the top three supports that would most benefit them, respondents indicated a preference toward financial supports as well as mentorship supports (see Table 1).

Table 1. *Desired Business Supports*

What are the top three business supports you feel would benefit your organization?	Number of responses
Financial support	26
Wage enhancement	17
Grants and loans to support materials, business development and growth	9
Mentorship support including 1:1 business mentorship related to specific skills (e.g., administration) and topics (e.g., planning)	14
Workforce	7
Immigration support	4
Recruitment and staffing (including benefits for staff)	3
Professional development	6
Community support including lists of substitutes and parents looking for care	3
Other including board of directors recruitment, toy lending library from CRRR, funding for children with special needs, and specific advocacy and support with government programs	9

We identified common characteristics across existing support programs that are at odds with the ideal business support characteristics identified by respondents. These challenges included: the on-demand nature of existing programs - meaning users must actively seek out programs; a perceived lack of understanding of the nuances of childcare among non-sector specific programs; differences in program eligibility by organization type (non-profit versus for-profit); passive as opposed to active program outreach; and accessibility challenges related to timing. Characteristics of ideal business supports as identified by respondents included: in person programs, preferably one on one; programs offered outside working hours; flexible programming; free programming; and hands on programming.

6.0 Discussion: Childcare Policy Failure in Rural Places

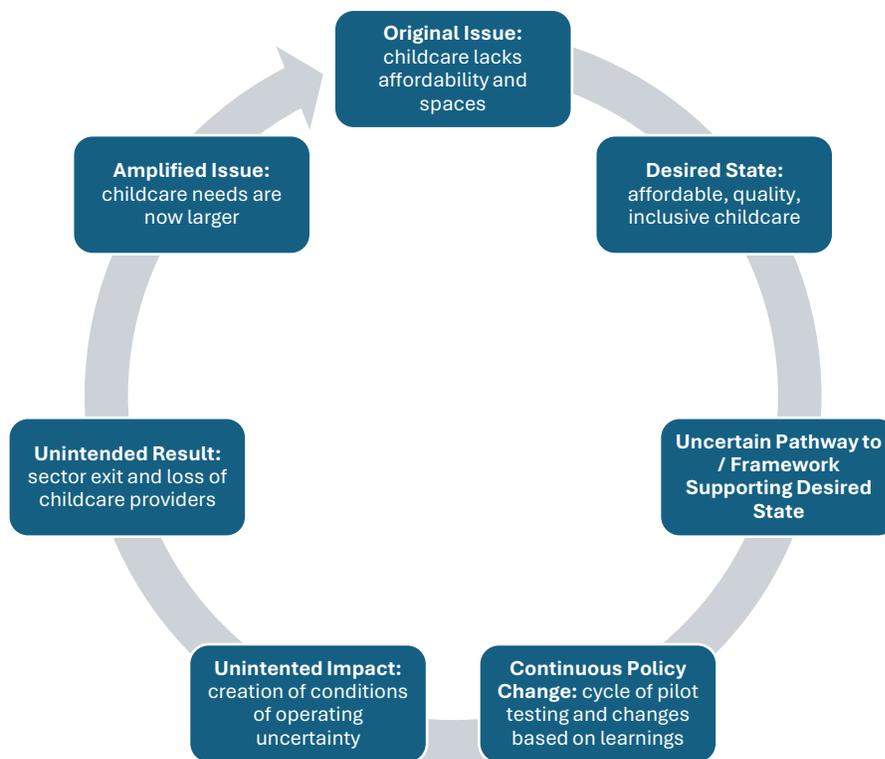
Childcare is a political priority in British Columbia, specifically in rural communities where “making childcare a core service throughout BC” was a stated priority in the recent provincial rural vision (Government of British Columbia, 2023b). However, despite political prioritization of childcare and the progress being made, within the rural case study region, licensed childcare facilities are struggling with a combination of challenges. Many of these challenges relate to the region’s rural context, including the basic landscape of a large number of small, predominantly non-profit or single owner-operator childcare facilities spread over large distances. This is a basic function of rural geography, and geography cannot be solved, nor its impacts ignored. This situation is not unique to the case study region; it is common across rural Canada, impacting workforce participation, most often for women, and particularly in those

high-paying sectors where shift work requires care outside traditional work hours (Buchanan et al., 2022; Friendly et al., 2016).

Surrounding and amplifying these challenges is the changed regulatory context and the ongoing changes to the policy environment, as described in Section 2. Policy changes have launched a transition of British Columbia’s childcare system aimed at making care more affordable, enhancing the available workforce, and increasing the number of spaces available. Reductions in childcare fees have made childcare more accessible, but resulted in an increase in demand, which cannot easily be met through the expansion of existing licensed facilities, in part due to labour shortages and insufficient capital investment (Perlman et al., 2023; Varmuza et al., 2021).

This policy transition has created a period of instability (see Figure 4), in which childcare providers are subject to ongoing changes, with little or no clarity on the province’s future intentions. The result is a policy failure where unintentional consequences of existing policy decisions are threatening the long-term viability of some rural childcare providers.

Figure 4: Childcare policy failure.



This instability is reflected in the case study's unanticipated finding of sector precarity, exemplified by a small number citing known plans to close in the short term due to challenges related to financial sustainability and policy change, and the 29% of respondents from four of the six school districts in the region who feel they are unable to financially survive long term. Across the region, childcare providers face challenges with insufficient funds to cover expenses, as costs constantly rise, funding does not always rise at the same rate. Unlike other types of businesses, which can adjust their prices as costs increase, childcare is more restrictive. Childcare providers participating in government programs are unable to raise their prices, nor can they easily add more clients in the short term due to issues with workforce, physical space, and licensing restrictions. Additionally, some childcare providers face difficulties navigating the existing system of policies and funding, due to underdeveloped business skills and lack of time availability.

While the survey data cannot be disaggregated to individual communities, we know from the regional inventory that there are centres located in larger and smaller communities across the region. It cannot be taken for granted that (1) a community has multiple childcare facilities; and (2) it is reasonable for parents to drive the distance to the next closest facility, which may be located in another distant community. Those respondents who identified as financially unsustainable may be the only licensed childcare in a community or the only affordable option. While sole proprietorships were the most likely to be vulnerable, this too links to the rural context, where local needs may not require a large facility.

In the context of the provincial vision of a publicly funded, accessible, and inclusive childcare system, policy changes should be addressing sector precarity, not adding to it. Risk of losing existing licensed childcare spaces within one rural region—where there are no immediate alternatives—is unacceptable. While it is clear that this additional vulnerability was not the intent of the current and ongoing policy changes, it is nevertheless an unintended consequence of them. To address this policy failure, current policy changes must be adapted, and innovative solutions must be explored to support providers within a changing policy environment.

7.0 Recommendations

Below, we link project findings to potential actions and interventions for support organizations and government at a regional and provincial scale, which may help in the short term to prevent further policy failure and reduce the risk of service loss. These recommendations may serve as a starting point not only for the case study region but also for other rural regions across Canada.

At the regional scale, there are opportunities for business support organizations to better support childcare providers. The results indicated that that providers are most familiar with childcare specific programs, with many unfamiliar or unaware of relevant business supports (see section 5.2). Challenges that providers face also include the lack of business support programs that correspond with particular needs of the sector, as well as issues with equity and accessibility of existing programs. However, findings also indicate that there is a desire among childcare providers for business specific support (see Table 1, section 5.2). In the short term it is possible for business support organizations to change or revise their approach, to include things like:

- proactively reaching out to childcare providers to build relationships and increase knowledge of available programs and their applicability to the childcare sector;
- offering in-person one-on-one support sessions; and
- scheduling opportunities for support outside of standard working hours (e.g., evenings and weekends).

Also at the regional scale is the need for actions related to affordable housing for childcare workers to assist with workforce shortages. Workforce was identified as an important issue, with multiple facets, including workforce availability and links to financial viability. Availability of housing was the fourth most noted influencing factor related to recruitment and retention of workers (see section 5.1). Childcare providers are already in conditions of financial and capacity strain and are typically unable to add the provision of staff housing. However, local government—both municipalities and regional districts—has the mandate to convene multi-partner collaborations aimed at finding innovative affordable housing solutions.

Results indicate that recruitment and retention are substantive issues, and that the majority of vacancies are casual or on call (see section 5.1, Figure 3). Given the significance of the workforce challenge, the provincial government should investigate innovative solutions under its jurisdiction to address workforce issues beyond wages. Research participants suggested potential solutions, including:

- The creation of on-call or casual services that can easily serve multiple small childcare providers in need of short-term support.
- Providing services to facilitate workforce recruitment from outside of rural regions, including housing and immigration supports.

In light of challenges with financial sustainability and sector vulnerability identified in section 3.3 and discussed in section 5, at the provincial level there needs to be concerted attention, communication, and action to help existing vulnerable providers understand and navigate the changing environment. To mitigate potential loss of existing services, the provincial government should investigate a stop-gap program aimed at preventing closures of existing childcare providers, including those who are currently participating in the new programs and those that are not. This could include:

- increasing proactive plain language communication of changes directly to childcare providers;
- enhancing short-term stability and predictability by providing timelines related to policy changes;
- communicating long-term timelines of the changes which will enable childcare provision to be stable and secure in the future; and
- providing one-on-one support to navigate these short- and long-term changes—including where flexibility exists for place-specific needs.

Further research would be helpful to explore what actions would be of most value. There is no doubt that significant efforts are being made to change the childcare landscape, with policies being piloted and adjusted. Unfortunately, this situation has also given rise to the question of whether childcare providers, particularly small, rural providers, can survive this period, and—if they cannot—have we solved the problem that prompted the attention in the first place?

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