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## **CHILD CARE OPERATORS CALL FOR PLAN TO PROTECT SERVICES FROM IMPACT OF NEW TARIFFS**

*For Immediate Release*

**February 2, 2025**--With new tariffs threatening to raise costs on food and many of the other items required to deliver licensed child care services, the country's oldest child care operators association, the Association of Day Care Operators of Ontario (ADCO) is calling upon federal and provincial policymakers to develop and release their plans to ensure the continuity of all licensed child care services, whether or not these services are funded through the Canada-Wide Early Learning and Child Care program (CWELCC).

"It's not just the cost of food and other supplies that licensed child care operators are concerned about, although the dramatic price hikes we're likely to see in the coming weeks are certainly top-of-mind," says Andrea Hannen, ADCO's executive director. "Child care centres are also worried about retaining qualified staff and maintaining service levels, as the job losses anticipated in other sectors begin to cause fluctuating enrollment in their centres. There needs to be a stable source of funding to ensure their continuity as centres seek to fill the vacancies created by higher levels of parental unemployment. Even if parents are only paying \$22 per day per child, parents who find themselves laid-off may wind up choosing to save that money by caring for their children at home. Yes, a centre may have a lengthy waitlist, but it can still take some time to fill a vacant space."

Ontario's licensed child care centres are currently facing significant financial challenges. Most have very little ability to absorb unplanned costs or vacant spaces. Those enrolled in the CWELCC are dealing with strict, government-imposed limitations on their allowable expenses. Many of the centres that aren't enrolled in the federal program had all of their Provincial funding cut as of January 1. While the current Canada/US tariff war may be of relatively short duration, federal and provincial policymakers should anticipate a crippling "inflation bubble" effect that could force some licensed child care centres to close. "There is a need for a short-term, potentially renewable rescue package to help centres cope with these unanticipated expenses, so that the child care services families will need in the future are still available once these trade disputes get resolved," says Hannen.

ADCO's call for a tariff-related rescue package comes on the heels of its [recent submission to Ontario's Pre-Budget Consultations](#), which highlighted measures to address staffing and access issues and the uncertainty associated with the forthcoming provincial and federal elections. ADCO stands ready to support both the federal and provincial levels of government in their efforts to mitigate the negative impacts of tariffs on Ontario's independent licensed child care sector. It also looks forward to working with the new Provincial government on implementing the recommendations in its 2025 Pre-Budget Brief.

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***Established in 1981, ADCO is the industry association for Ontario's independent licensed child care centres, both commercial and not-for-profit. Independent licensed child care centres are those that are not run by public sector entities such as municipalities or school boards, or by large multi-service agencies such as YMCAs. Most are small businesses, owned and operated by women. For further information, please contact: the Association of Day Care Operators of Ontario (ADCO) at admin@adco-o.on.ca or Andrea Hannen at 1-877-685-4288, ext. 1.***