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NUMBERS BEHIND FEDERAL CHILD CARE PLAN DON'T ADD UP SAY DAY CARE OPERATORS

For Immediate Release

ONTARIO—July 28, 2021— Although Prince Edward Island appears to have signed on to the federal government's child care plan, child care owner/operators in Ontario remain skeptical that the promised \$10/day program will ever materialize. “There is mounting evidence that the numbers just don't add up,” says Andrea Hannen, Executive Director of the Association of Day Care Operators of Ontario (ADCO).

[Research by the non-partisan think tank CARDUS](#) indicates that the costs of implementing the promised program have been underestimated and that the actual annual costs could be as much as four times higher than Canadians are being told. This could leave provinces that sign onto the federal plan stuck with decisions about how to make up the shortfall—either by increasing parent fees, restricting access to services or finding other ways to cut costs. CARDUS estimates that if Ontario were to sign a similar agreement, the province's taxpayers could be left on the hook for some \$9.5 billion annually.

“Taxpayers already pay over \$3.2 billion per year to fund Ontario's public sector kindergarten program and the 47 municipal child care bureaucracies responsible for “managing” Ontario's licensed child system,” says Hannen. “Yet, parents still have to pay fees for care at the beginning and end of the school day to make up a full-day, waitlists for subsidized child care spaces can be months or years long, and there are still only enough licensed child care spaces to serve about 20% of the children under age five. The problem isn't how much taxpayers are spending, it's the disproportionate costs associated with the public sector bureaucracies in charge of managing the system.”

“Part of the problem here in Ontario are certain provisions within the Child Care and Early Years Act, that allow municipalities, some of which own and operate their own licensed centres, to prevent the rise of potential competitors,” says Hannen. “Even if the federal budget numbers did add up, the idea of plunging Ontario further into debt on a deal that is designed to restrict child care growth to only public and not-for-profit facilities makes no sense. The risk is that many existing licensed centres run as small businesses would close long before enough new facilities could be built to replace them, especially since all new growth would fall squarely on the backs of taxpayers.”

A less risky approach would be for Ontario to focus on offering families immediate help with their child care costs, through direct deposits to parents and expanding the CARE tax credit. The Province already has the mechanisms in place to implement these steps. “It could make a real and immediate difference to Ontario's economy, helping parents return to work, respecting their choices as decision-makers and ensuring that the bulk of the money actually goes to help families,” says Hannen.

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ADCO is the industry association for Ontario's independent licensed child care centres. 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. While independent licensed child care centres may be run as businesses, not-for-profits or co-ops, their core business is licensed child care. Independent licensed child care centres account for more than a third of Ontario's licensed child care spaces. Many are small businesses, owned and operated by women.

For further information, please contact:
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