



STAFF REPORT INFORMATION ONLY

Economic uncertainty and tariffs – Toronto Public Library’s considerations and supports for Torontonians.

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To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with an initial assessment of, and considerations related to, the current economic environment. This includes preliminary information about the anticipated impacts to Toronto Public Library (TPL), and the potential actions and responses TPL can take to help mitigate these impacts and support Torontonians during this time.

The ongoing economic uncertainty created by United States (US) tariffs is anticipated to have significant impacts on TPL operations, particularly in the areas of budget and financials, capital projects, procurement, and increased demand for TPL services. TPL has done some initial assessments and continues to gather and analyze information to better understand the scope and impact of the tariffs, and to develop mitigation strategies to address them.

TPL is also reviewing the recently released City of Toronto report, [Mayor’s Economic Action Plan in Response to US Tariffs](#), which outlines the City’s

immediate response to the potential impacts from the volatile US economic policies, and assessing the ways in which TPL can adopt similar policies and approaches, where possible.

Finally, TPL will focus on how it can help ease the hardship that current economic conditions will have on the city and its residents, and will take a proactive approach to address the needs of its customers during these challenging times. In particular, the Library will increase access and awareness of TPL's services that address affordability, financial literacy, economic resilience, skills development and job search/career development, thereby helping to reduce barriers and increase access to these supports that Torontonians might not otherwise have.

FINANCIAL IMPACT

Specific financial impacts resulting from US tariffs, reciprocal actions, and economic outcomes from these actions are not known at this time. It is likely, however, there will be financial impacts related to capital projects, current and planned, as well as to operations due to market conditions and uncertainty. TPL will monitor impacts and report back on financial impacts to the Board through its regular budget monitoring reporting.

The Director, Finance & CFO, has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

TPL's focus on supporting the city and its residents during these difficult and uncertain economic times aligns with many of the strategic plan's priorities: Priority 1 will help Torontonians navigate the many information sources and apply critical thinking skills to assess the accuracy of the flood of changing information. Priority 3 will provide Torontonians with the financial literacy, career and job supports, and reskilling/upskilling programs to manage through economic hardships and uncertainties. Priority 4 will ensure that Torontonians are aware of these many free and expert services, as well as the free collections and programs that they can access to ease the high cost of living.

EQUITY IMPACT STATEMENT

The current political and economic climate will have a negative impact on residents and communities from equity-deserving groups, especially those who have lower incomes. Increasing access and awareness of TPL's services that address affordability, financial literacy, economic resilience, skills development and job search/career development can help by reducing barriers and increasing access to these supports that they might not otherwise have.

ISSUE BACKGROUND

Since the beginning of 2025, there has been speculation and references to the potential for the US government to impose tariffs on goods going into the US from Canada, amongst other countries. In early February the threat of tariffs became more tangible, prompting the Canadian federal and provincial governments to signal the threat of reciprocal tariffs and countermeasures on imports from the US. While the specifics of how the tariffs would be applied and the timeline of implementation remain fluid, these actions and proclamations have created uncertainty within the economic environment, and trade conditions between Canada and the US remain volatile. This has had a negative impact on economic market conditions, the Canadian dollar, and the potential for economic hardship for residents across Toronto and Ontario.

City of Toronto's Response

On March 19, 2025, the City of Toronto issued the [*Mayor's Economic Action Plan in Response to United States Tariffs*](#), outlining the City's immediate response to the potential impacts from the US threat of tariffs and volatile economic policy. This report will be before Council for its approval on March 26, 2025, and details a number of actions the City is taking to support and protect Canadian and local businesses including: a focus on "procuring Canadian" to support Canadian businesses; directing day-to-day spending by City staff to Canadian-owned and local choices; and a variety of other actions and plans to provide support to local business and industries during economic uncertainty and to build a more resilience economy. The City has also identified *Calls to Action* to provincial and federal governments for immediate investment in the following areas: Affordability, Housing, Mobility of People and Goods and Skills and Technology.

COMMENTS

The ongoing economic uncertainty created by US tariffs is anticipated to have significant impacts on TPL operations, particularly in the areas of budget and financials, capital projects, procurement, and increased demand for TPL services. TPL has done some initial assessments and continues to gather and analyze information to better understand the scope and impact of the tariffs, and to develop mitigation strategies to address them.

Budget and Financial Impacts

TPL procured approximately \$131 million of goods and services in 2024, including library collection materials. TPL spend with US suppliers totalled approximately \$12.4 million for goods and services in 2024, or approximately 9% of TPL's total purchases. Electronic collection materials account for the majority of that spend, at \$11.1 million, and technology purchases account for the remaining \$1.3 million, much of which is related to software providing critical support to TPL operational activities.

It would be difficult to eliminate TPL's reliance on American firms without significantly compromising library services or affecting business continuity, as many of these critical materials and/or services can only be provided by US suppliers (e.g. IT systems, electronic collections).

TPL has received notices from some vendors, particularly those related to collections, indicating that the products they provide to TPL are exempt from current tariffs; however, most have noted that these are uncertain times and that they continue to monitor the changing market conditions. Compounding the uncertainty in the market is the declining Canadian dollar, which negatively impacts TPL's buying power, effectively reducing the amount of materials that can be procured from US suppliers. This has the potential to impact TPL's collections offerings and also place pressure on TPL's operating budget to ensure critical services are maintained.

Supporting the Canadian Publishing Industry

TPL and all public libraries in Canada play an essential role in supporting Canadian authors and the Canadian publishing industry. By introducing readers to new works and investing in Canadian content, TPL ensures that Canadian authors receive recognition and compensation for their contributions to the literary landscape.

When purchasing materials for the collection, TPL sources most physical materials through Canadian wholesalers and local vendors wherever possible. Local and national attempts have been made to increase Canadian purchasing options, especially for digital content, and this work continues with small publishers.

TPL gives special consideration to items with Canadian content by Canadian authors, that record the Canadian experience or that relate to life in Canada or the lives and works of Canadians. This commitment helps support a vibrant publishing industry and gives Canadian authors more opportunities to be recognized and compensated for their work.

Impacts on Capital projects

Economic uncertainty, supply chain disruption and US tariffs are expected to put pressure on TPL's capital budgets, affecting construction and procurement timelines and costs.

For TPL's capital projects in the execution phase, staff are reviewing status and risks related to cost and schedules. TPL will be working with its third-party consultants and architects to ensure projects proceed, and that any cost or schedule pressures as a result of tariffs or economic conditions are mitigated to the greatest extent possible to minimize impacts to the projects' deliverables, schedules and budgets. TPL will report through its regular budget monitoring reporting any expected or realized project impacts, along with plans to address them.

For capital projects in the planning and pre-tender phases, tariffs and economic uncertainty, along with a weakening Canadian dollar, increase the risk of cost escalation not otherwise contemplated when these project budgets were approved. Because TPL's 10-year capital plan is fixed, any additional funding on projects due to cost escalations will require re-allocating budget from other

projects within its plan. Given the current uncertain economic conditions, it is expected TPL will begin to experience these cost pressure and impacts immediately, requiring revisions to project scope, timelines and budgets.

Mayor's Economic Action Plan

TPL is reviewing the recently released City of Toronto report, *Mayor's Economic Action Plan in Response to US Tariffs*, which outlines the City's response and calls to action, and will be meeting with the City to better understand the ways in which TPL can adopt similar policies and approaches where possible.

Part of the City's response to the US tariffs is to make amendments to its procurement practices, focusing on procuring Canadian and to directing day-to-day spending by City staff to Canadian-owned and local businesses and service providers.

While TPL has its own procurement policies and practices, these are very much aligned with the City's procurement by-law and practices. TPL's procurements are governed by the Canada Free Trade Agreement (CFTA), the Comprehensive and Economic Trade Agreement (CETA) and TPL's Purchasing Policy. TPL's Purchasing Policy and related procedures are built on the framework of the City of Toronto's Purchasing By-law and trade agreements to ensure open, fair and barrier-free trade.

It is important to note that the recommendations in the City's Action Plan, specifically those that require or favour Canadian bidders, do not contravene these trade agreements.

TPL will review the recommendations in the City's Action Plan related to procurement and day-to-day spending, and will assess its ability to adopt them based on the potential impact on library operations, service levels and business continuity. Staff will report back once the City's Action Plan has been adopted by Council and when any changes to procurement policies or practices are required and recommended.

Increased use of TPL services

TPL will focus on how it can help ease the hardship that current economic conditions will have on the city and its residents, and will take a proactive approach to address the needs of its customers during these challenging times. In particular, the Library will increase access and awareness of TPL's services that address affordability, financial literacy, economic resilience, skills development and job search/career development, thereby helping to reduce barriers and increase access to these supports that Torontonians might not otherwise have.

Historically, TPL has seen increased demand for its services during times of economic hardship, as Torontonians rely on its many services to reduce costs through access to free collections, programs and technology, as well as to its many financial literacy, job, and education resources. In 2009, for example, following the 2008 financial crisis, TPL saw increased usage across a number of measures, including an 8% increase in library visits and a 13% increase in technology use.

For Toronto residents, the already-high cost of living will be exacerbated by the tariffs and trade wars, with increased household costs and inevitable job losses. It is expected that Torontonians will once again turn to their library to help them weather this economic storm with skills development and job search supports; financial literacy services; access to trusted media sources to stay informed; a wide variety of free collections and programs to help reduce household costs; and specialized services specifically designed for the city's most vulnerable residents.

In addition to TPL's existing suite of personal finance, small business and skills development programs and services, new initiatives in 2025 to assist Torontonians with economic uncertainty include:

- TPL's AI Upskilling initiative, which includes skills development, certifications and programming on the identification of misinformation and disinformation;
- TPL's Learning Pathways eLearning initiative that packages classes, programs and resources into discrete skills development streams ranging from beginner computer skills through to professional digital skills, and small business development and job-seeker classes;

- Expansion of TPL's Financial Empowerment service to two additional branches, increasing access to one-on-one financial counselling and benefit access services;
- Expansion of TPL's Business Inc. eight-week small business development program to an additional cohort targeting newcomers; and
- New expert in-residence programs with focuses on AI, newcomer entrepreneurship and food security.

This year's expansion of library open hours will help provide greater access to these and so many other important resources. To increase awareness and ensure that Torontonians know that these services are available to them, TPL staff will develop a promotional strategy and plan to be rolled out this spring. In addition, TPL will seek out opportunities to offer programming on issues of current concern to help Torontonians better understand the current economic and political environment.

CONCLUSION

These are anxious and unprecedented times but TPL is prepared to respond to these challenges to ensure that it can continue to deliver the critical services that Torontonians need to adapt and thrive.

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SIGNATURE

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