

MEDIA RELEASE | September 19, 2014

New Brunswick Government Seeks Re-Election with Budget that Invests in Retirees. Cuts Spending for Younger Generations.

A new study of the 2014 New Brunswick budget shows that the governing Conservatives are campaigning for re-election based on a budget that adds \$57 million this year to spending on the 139,000 residents age 65 and older, while cutting \$33 million in spending from the 385,000 residents under age 45. The spending increase on retirees is delivered primarily through medical care, while the cut for younger generations will be taken primarily from education.

New Brunswick Budget 2014									
	2013/14 Revised Estimate, Adjusted for Inflation, \$millions			2014/15 Estimate, \$millions			Increase (Decrease) in Social Spending (2014/15 minus 2013/14), \$millions		
Social Spending	Total	Share to 65+	Share to under 45	Total	Share to 65+	Share to under 45	Total	Share to 65+	Share to under 45
Health	2,549	1,288	619	2,588	1,334	612	40	46	(7)
Education	1,706		1,706	1,680	-	1,680	(26)	-	(26)
Social Services	1,078	190	556	1,092	200	556	14	11	0
Total	5,332	1,477	2,880	5,360	1,534	2,847	28	57	(33)

Government decisions to prioritize investments for retirees while cutting spending from younger generations might be defensible if citizens under 45 were enjoying better socioeconomic circumstances compared to when today's retirees were younger. But the evidence shows the opposite. The typical 25-34 year old in New Brunswick earns \$5,100 a year less for full-time work compared to 1976, after adjusting for inflation. They earn less even though they are much more likely to have postsecondary credentials, and the extra debt that comes with paying tuition rates that have more than doubled since 1976. With lower wages and more student debt, younger residents must pay average home prices that are up 13 per cent – or over \$18,000 more – compared to a generation ago, again after adjusting for inflation.

"What we're seeing in New Brunswick is common across the country," says Dr. Paul Kershaw, a University of BC policy professor and Founder of Generation Squeeze. "Younger generations are squeezed by lower earnings, higher costs, less time and a deteriorating environment. Because governments are less willing to adapt for us than others, we need to squeeze back so Canada works for all generations."

Generation Squeeze research shows that provincial and federal governments combine to spend between \$38,000 to \$45,000 a year per Canadian age 65 and older, compared to approximately \$12,000 per person under age 45. "We see this age pattern in social spending repeated in the 2014 New Brunswick budget," Kershaw reports.

There are no comprehensive age analyses of the Opposition platforms. However, preliminary analyses show that the Liberal platform includes an extra \$24 million annually for child care services, the NDP propose an extra \$36 to \$38 million annually for the same services, and the Greens commit \$30 million to "children's first", which while not specified, may be aligned with child care. Although these child care investments would be important examples of additional spending on the generation raising young children,

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the proposed investments are not at a scale that is sufficient to reduce substantially the squeeze on New Brunswick families imposed by high child care service costs. Research shows that it will cost an extra \$249 million annually for New Brunswick to deliver quality child care services at fees of \$10/day – down from where they sit currently around \$23/day in regulated programs.

Other Opposition spending commitments that stand out from a generational perspective include the Liberal Party allocation of \$11.7 million to a Youth Employment Fund. The Green platform allocates \$16 million to eliminate interest on student loans, and includes particularly strong commitments to reduce the environmental debt that is left for younger generations.

Generation Squeeze takes inspiration from the Canadian Association of Retired Persons (CARP), which has a strong history of lobbying for Canadians 50 and older. “CARP’s work is important,” Dr. Kershaw emphasizes, “because we need a group to champion the interests of people like my mom and grandmother. The problem is, there has been no corresponding group for Younger Canada.”

As a result, all political parties – left, right and centre – have fewer incentives to design their platforms to address the time, money and environmental squeeze on younger generations. “So long as there is a group lobbying for Canadians 50 and older,” Kershaw says, “we also need a powerful organization to speak up for younger generations. Otherwise we get campaigns like the one in New Brunswick this September, which gives insufficient attention to the need for a better generational deal in government budgets.”

Generation Squeeze is building this powerful organization to speak up for Younger Canada from coast to coast. Local Gen Squeeze crowds have started in Nova Scotia, Ontario and BC. “We need a Gen Squeeze crowd to form in New Brunswick,” Kershaw urges. “That’s the only way to ensure the next provincial election will see all parties committing to reduce the squeeze on younger generations with the same level of urgency they bring to safeguarding the important health care and retirement income needs of our aging population.”

For more information, visit <http://gensqueeze.ca>

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