

PRESS RELEASE

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Saskatchewan budgets twice as much for retirees as for younger generations Study of 2015 budget shows government finds more for asphalt and bricks, less for those under 45

"Build roads and protect medical care for grandma. But don't build child care for her kids and grandchildren. These are the kind of trade-offs that the Saskatchewan government made (again!) in its 2015-16 budget," explains Dr. Paul Kershaw, a policy professor at the University of BC.

Coming into this fiscal year, the Saskatchewan government already contributed to a combination of federal, provincial and municipal spending that totals more than \$33k per person age 65+ compared to less than \$12k per person under age 45. Premier Wall's government will reproduce its contribution to this age gap in 2015/16 according to the budget that will take him into the next provincial election.

"Most of Saskatchewan's spending is distributed through medical care, education and social services," reports Kershaw. "When we break down this spending by age, the Saskatchewan government budgets over \$15k per person 65 and older, compared to \$8k per person under age 45." Medical care – the biggest slice of the provincial budget at \$5.5 billion – drives this age pattern. Forty-two per cent of these funds go to the 14.5 per cent of the population age 65+.

"Medical care is important," insists Kershaw. "My mom is 70. My grandmother is 99. They depend on medical care. But they don't want to pay for it by not paying to adapt for their kids and grandchildren."

Adaptation is necessary because the typical 25-34 year old working full-time in Saskatchewan earns around \$2,000 less per year than did the same age person between 1976-1980. Young people earn less today even though they are more than twice as likely to have postsecondary, and must pay far more for housing. The average home in Saskatchewan in 2014 cost \$298,360, up from 154,858 in 1976. This big hike in home prices has increased the wealth of the typical person over age 50.

"Earning less while paying more is why far more young people go to postsecondary and far more families rely on two earners compared to a generation ago," Kershaw observes. "Yet Saskatchewan is slow to adapt. Tuition is more than double what it was in 1976, and child care costs as much as university."

Finance Minister Ken Krawetz chose not to address these challenges because his government had other priorities, boasting a surplus of \$107 million, along with new spending on capital projects.

"The budget found new money for asphalt and bricks, but not young people," observes Kershaw. "The same budget spends on younger citizens half of what it spends on retirees. We need budgets that work for us as much as others."

The Canadian Association of Retired Persons (CARP) has been lobbying for decades on behalf of Canadians age 50+. It's time now for younger Canadians to follow suit by building our own national lobby. That is what Generation Squeeze (gensqueeze.ca) is doing from coast to coast.