

PRESS RELEASE

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Wynne Government most likely to work for all generations But provincial pension plan logic still flawed

Premier Wynne has articulated bold visions for transit, pension reform and pricing pollution. "After analyzing all provincial and federal budgets tabled so far in 2015, her commitment to make Canada work for all generations is matched by few, if any, other leaders provincially or federally," concludes Dr. Paul Kershaw, Founder of Generation Squeeze, and a professor in the UBC School of Population Health.

This assessment may surprise some, since Ontario adds another \$8.5 billion deficit for younger and future generations to pay.

The province also spends \$12,500 per person age 65+ compared to \$6,300 per person under age 45 when allocations for health care, education, and social services are broken down by age.

"Like all provinces," explains Kershaw, "Ontario must break free from the pattern of protecting health spending for the aging population by not investing adequately in younger generations. That's why Canadians in their 40s and younger need a lobby to match the important lobbying performed by the Canadian Association of Retired Persons for decades."

Still, the 2015 Ontario budget shows some promise for intergenerational equity.

- Transportation funding: young people often commute much further because housing near many places of employment and study is no longer affordable.
- Pricing pollution: the costs of climate change will be paid primarily by younger Canadians
- Ontario Retirement Pension Plan: mandating employer participation will help turn the tide that has seen many employers abandon this part of remuneration.

"But there remains a problem with ORPP logic," explains Kershaw. "The 2015 budget implies that younger people don't save as much for retirement as did previous generations because we are more mobile in our jobs, or less disciplined to put money aside."

These assumptions miss the major point. A [new study](#) shows that younger Canadians start with larger student debts, earn thousands less for full-time work, and pay housing prices that are up hundreds of thousands compared to 1976. That's why we save less for retirement. Mandating further saving risks trying to squeeze water from a rock.

The ORPP will only avoid this problem if it is *implemented with additional public investments that save young Canadians money – some of which can be taxed back via new ORPP premiums.*

Policies that reduce postsecondary debt are a solid option. Even more inclusive would be expansion of family policy to save young adults thousands in child care costs and make parental time at home more affordable following the birth of a baby. With these savings they could then pay down student debt, save for a home, afford work-life balance, and plan for retirement.

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