

Independent Economic Impact Analysis FAQ

What is the economic impact analysis?

- This study is the first and only independent economic analysis of the impacts of Bill 148
- The Canadian Centre for Economic Analysis (CANCEA) was commissioned by the KOW coalition to measure the potential impacts of the six key areas of change in Bill 148, including changes to minimum wages, equal pay, vacation, scheduling, PEL and unionization

What do these findings mean for Ontarians?

- The analysis revealed that if the legislation is implemented as currently drafted, there will be significant, sudden and sizable uncertainty for Ontario jobs, economy and communities
- The evidence-based study concludes that these vast, unprecedented reforms will put about 185,000 jobs at risk, greatly impacting Ontario's most vulnerable workers
- There is also an expected 50 per cent increase to inflation for this year and the foreseeable future, increasing everyday consumer goods and services by \$1,300 per household on average each and every year

What does jobs at risk mean? Is that job losses?

- The jobs at risk includes both current and potential new jobs. While the population grows we expect the number of jobs to be 2.4 per cent below what it could have been. **That is what is meant by jobs at risk**

Which sectors will be the most impacted?

- Sectors facing the highest risk to jobs include (estimated jobs at risk")
 - Manufacturing (16,800 jobs)
 - Accommodation and food services (17,300 jobs)
 - Retail trades (14,700 jobs)
 - Wholesale trades (16,000 jobs)
 - Professional, scientific and technical services (14,000 jobs)
 - Finance and insurance (13,000 jobs)
 - Private sector health care and social assistance (8,000 jobs)

Who will be the most impacted?

- The jobs at risk includes both current and potential new jobs. While the population grows we expect the number of jobs to be 2.4% below what it could have been. That is what is meant by jobs at risk
- Of the 185,000 jobs at risk,
 - 63% of at-risk employees are between ages of 25-55yrs
 - 3% of jobs for those under 25 are at risk (over 30,000 jobs)

- 2.6% of jobs for those over 55 years are at risk
- 96,000 employees at risk are women - that is almost 10,000 more than jobs for men at risk (jobs for men at risk is expected to be 89,000).

Can you explain the \$23 billion hit to business?

- Increased costs from Bill 148 means there will be a \$23 billion hit to business over the next two years alone
- Simple accounting reveals that the *Act* creates a \$23 billion hit to Ontario business over two years. Annualized, this is 21 per cent of what Ontario businesses invest in capital

What about the 53 economists who say that this legislation will be beneficial for the province?

- That letter of opinion is not an economic analysis. It does not provide an objective perspective that considers the details of Ontario's economy. The report we've commissioned through CANCEA is the first and only economic analysis that has been conducted around impacts associated with Bill 148
- We would welcome another organization to "run the numbers" and to bring that into the public discourse
- A large proportion of these individuals are employed by labour unions and other organizations that would directly benefit from Bill 148 – so we question their motivation in supporting the legislation
- Academic evidence from throughout the country consistently finds that raising the minimum wage leads to lower employment for vulnerable, low-skilled workers and young employees

The Premier says she will be providing offsets for business, so won't it work out in the wash?

- Bill 148 introduces a \$23 billion challenge for Ontario businesses over the next two years, which is impossible for the Government of Ontario to mitigate, even for small businesses, through offsets

Are you against increasing the minimum wage?

- Simply put, this is too much, too fast
- We are concerned with the pace at which the government is moving on implementation and would urge caution precisely because these reforms will place our most vulnerable at further risk

How will the Ontario government be in debt over this?

- The Ontario government will see \$620 million added in income tax revenue, however, it is expected to have an \$1.1 billion from increases in new costs from this legislation, so the province would need to borrow \$440 million

How will municipalities be impacted?

- Municipalities, who are all meeting in Ottawa with the Premier this week, are expected to have their wages increase by \$500 million without additional offsetting revenues

The Star Editorial Board Article stated “Fraser Institute study that states BC’s wage hike would see 55,000 job losses, but didn’t see the impacts.” Is the Fraser Institute wrong?”

- The jobs at risk includes both current and potential new jobs. While the population grows we expect the number of jobs to be 2.4% below what it could have been. That is what is meant by jobs at risk
- We are the only organization who has run an independent economic analysis of Bill 148, and how increasing our minimum wage by 32% over 18 months will impact Ontario’s economy. We have run the numbers and they speak loud and clear

Critics say that the more money you give to people, the more money they will spend and that will benefit the economy. How do you respond to that?

- Those statements assume that you have the same number of jobs that currently exist which will not be the case
- The analysis shows, the increase in jobs at risk will move faster than the implementation of minimum wage
- \$15 would be great if you have a job
- This is the first and only independent economic analysis of the impacts of Bill 148 and it shows the opposite. As stated in the analysis, an average Ontarian household will be hit with an additional \$1300 on average for everyday goods and services

Don’t you believe that people deserve a living wage?

- Simply put, this is too much, too fast
- We are concerned with the pace at which the government is moving on implementation and would urge caution precisely because these reforms will place our most vulnerable at further risk

What are you looking for from government?

- We are looking for the government to
 - Consider the risks outlined in this economic impact analysis;
 - Implement broad amendments to Bill 148; and,
 - Slow down implementation to provide appropriate offsets that will protect Ontario’s jobs, communities and our most vulnerable
- The Ontario government would have to borrow \$440 million to cover the increases in new costs from this legislation. If the government were to provide offsets to businesses, as they have said, the province’s treasury will take a bigger hit

What is are you looking for the government to do? Amend, offset, pace of change?

- We are recommending
 - Slower pace of minimum wage Implementation
 - Equal Pay for Equal Work should not apply during the first six months that assignment workers and seasonal employees are performing work similar to full-time employees.
 - On scheduling, the government should look for sector based exemptions as one-size-fits-all solutions do not work.
 - The secret ballot process for certification should be preserved for all sectors.
 - Certification processes for union formation and access to employee lists should remain at 40 per cent of employees involved.
 - The government should preserve the 50-employee threshold for Personal Emergency Leave and clarify the greater right or benefit provision in the Employment Standards Act (ESA)