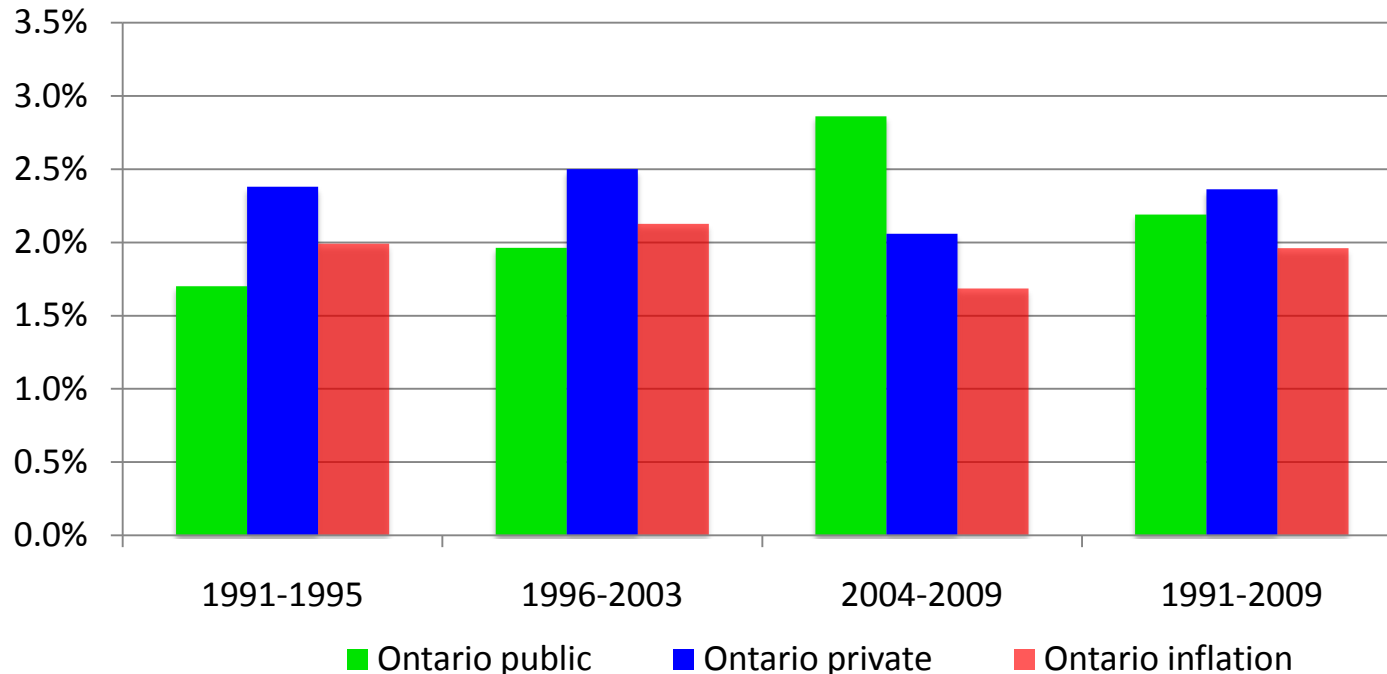


**The CUPE Alternative:  
A different view of key Ontario economic  
trends**

***CUPE***

# Public sector wage increases lagged private sector since 1990 and only recently increased faster

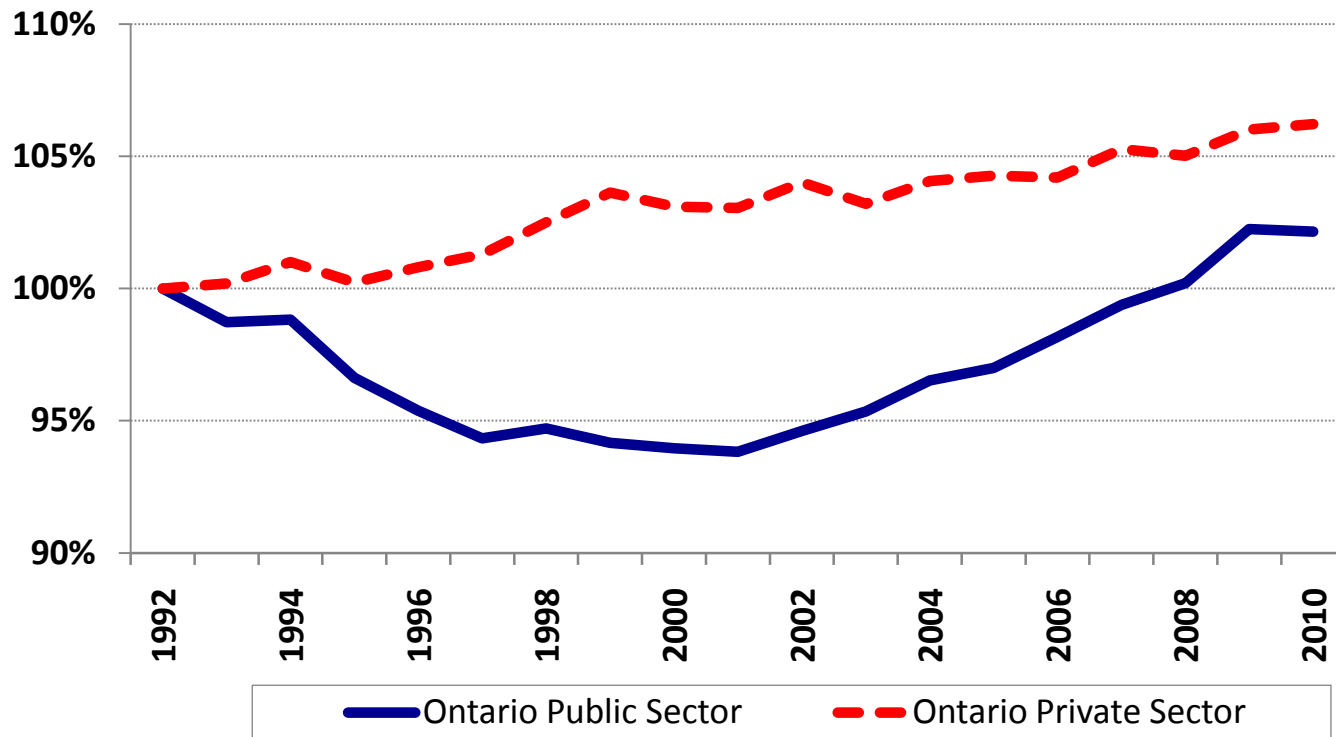
Ontario Public and Private Wage Settlements and Inflation



Source: Ontario Ministry of Labour wage settlements and Statistics Canada for Ontario CPI inflation rates.

# Public sector real wages only recently recovered from cuts of 1990s

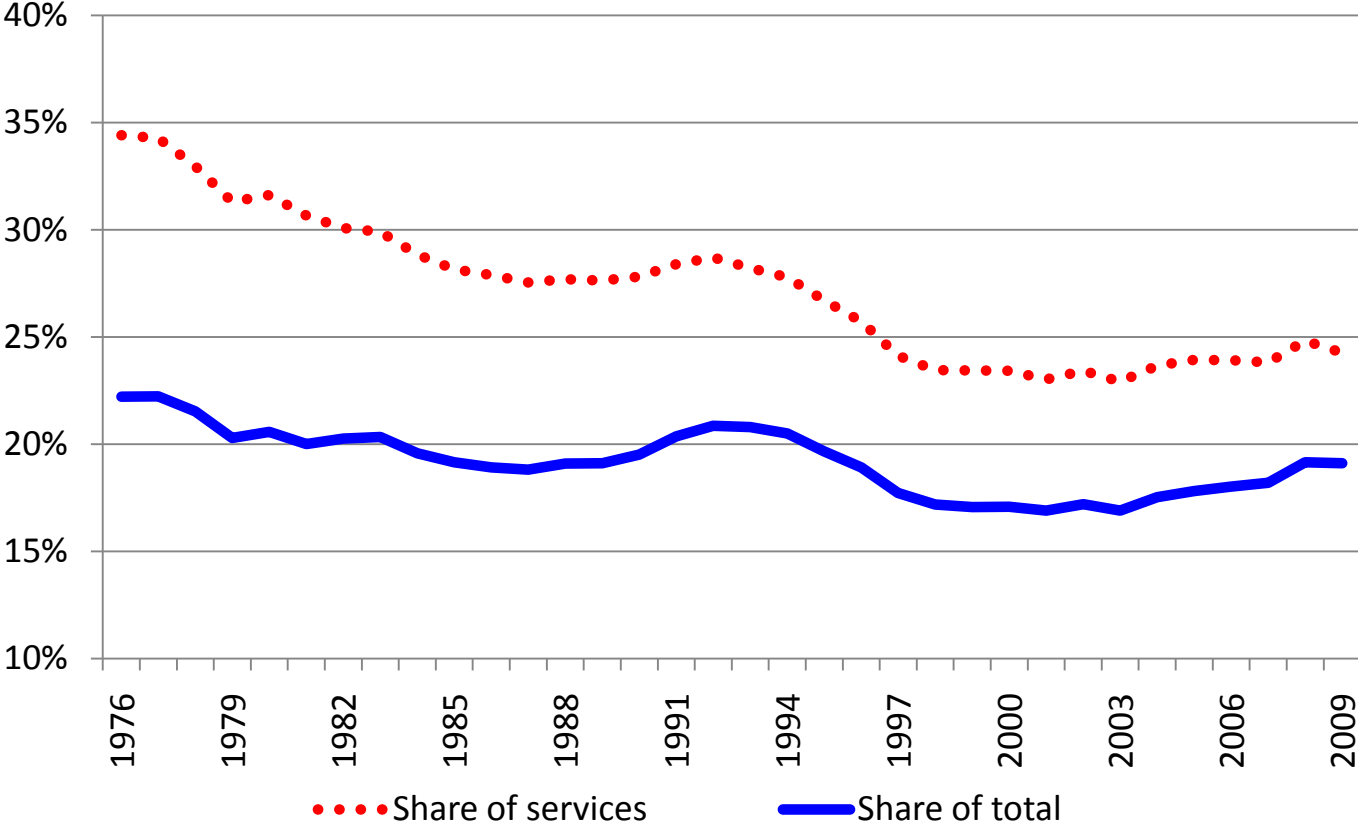
Ontario Public and Private Sector Real Wages  
(adjusted for inflation 1992 = 100%)



*Real wages calculated using Ontario Ministry of Labour annual base wage increases from collective agreements for Ontario, adjusted for inflation using Ontario CPI.*

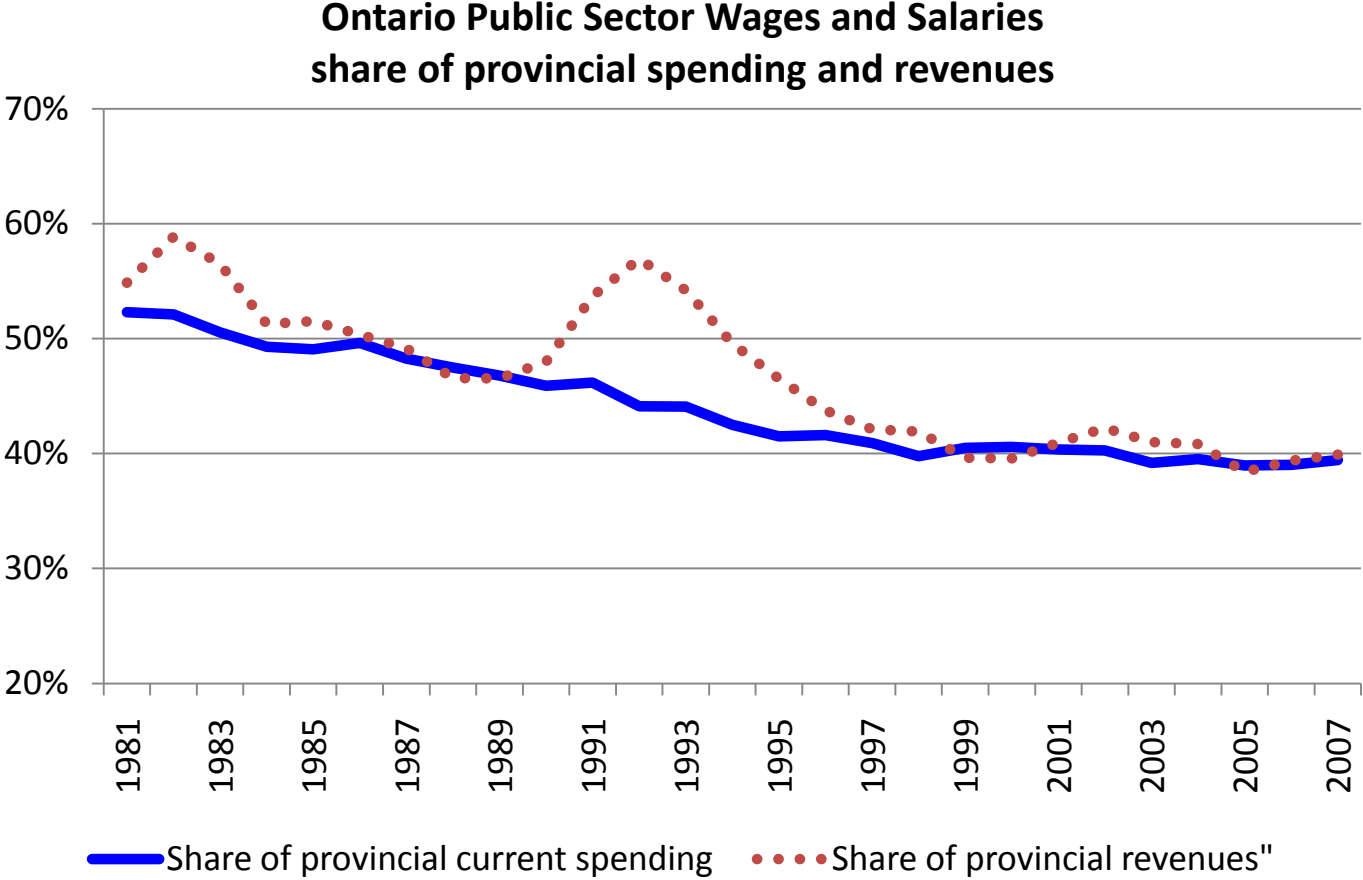
# Public sector declining share of total employment in Ontario

Ontario public sector share of total employment



Source: Labour Force Survey Historical Review

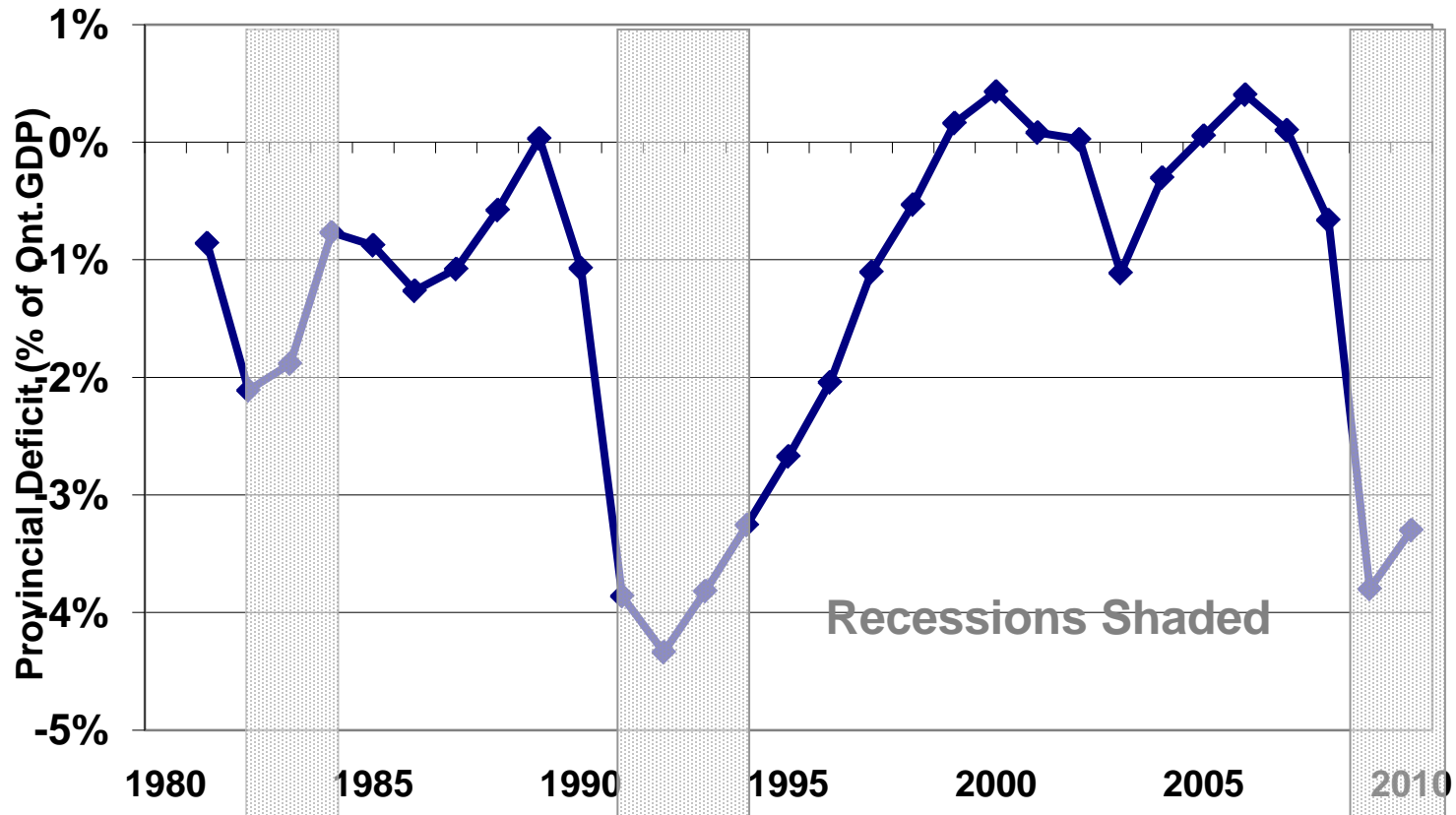
# Public sector wages declining share of provincial public spending



Sources: Statistics Canada Survey of Employment, Earnings and Hours and Provincial Economic Accounts

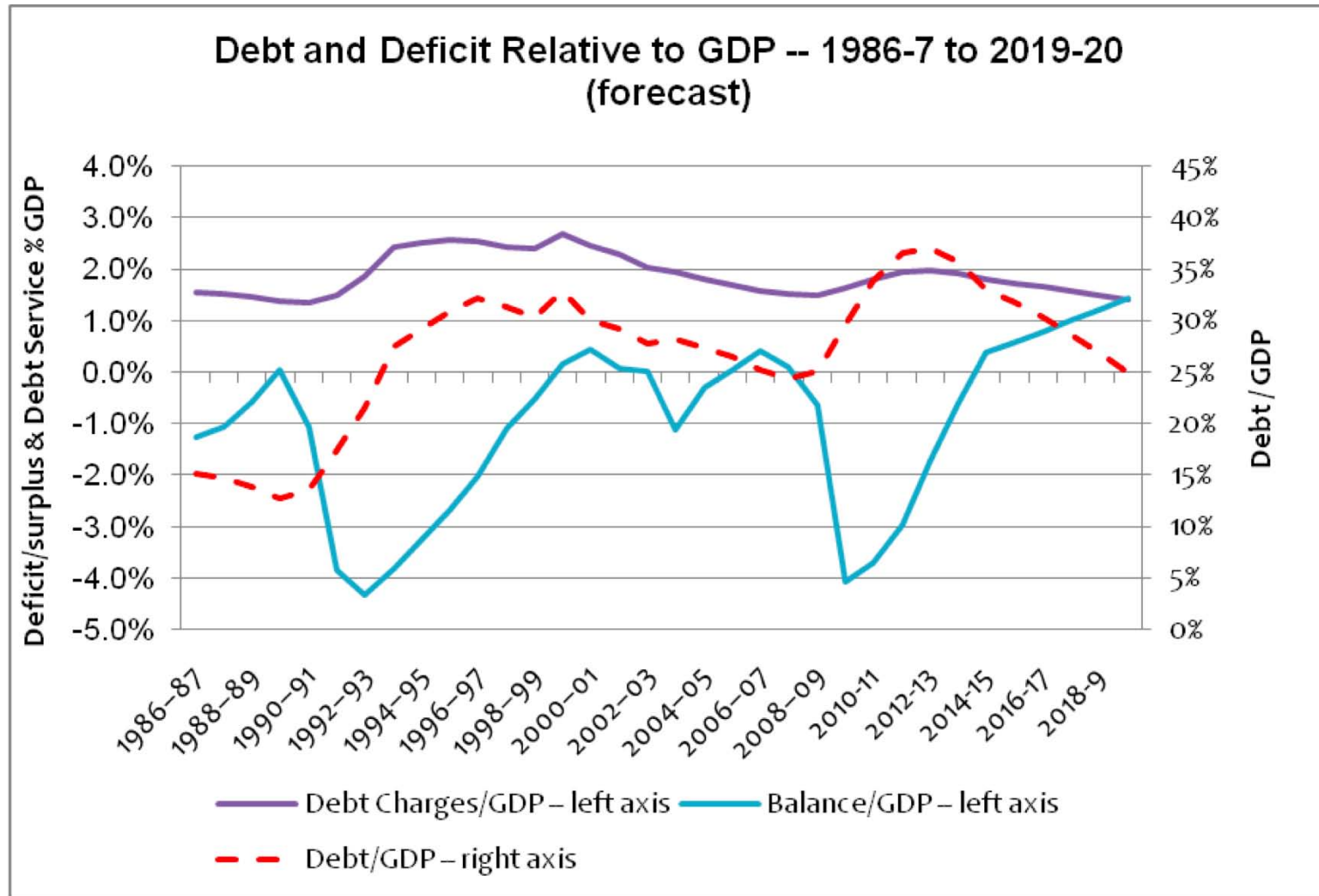
# Deficits expected and appropriate outcome of recessions

## The Budget Roller-Coaster



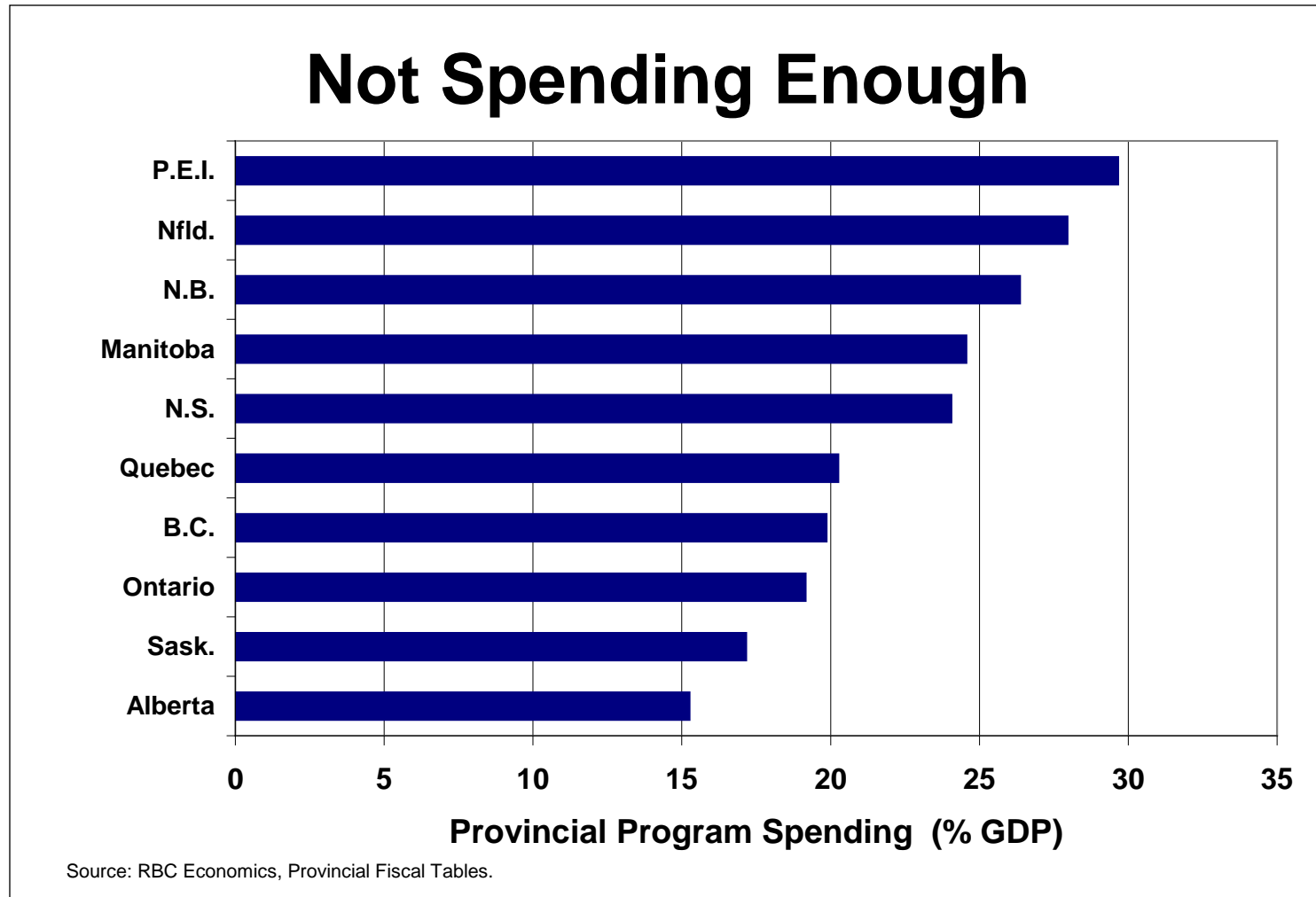
Source: Provincial Economic Accounts (to 1985); Finance Canada Reference Tables; CANSIM Table 384-0002; Ontario Budget

# Ontario could soon eliminate deficit without severe actions



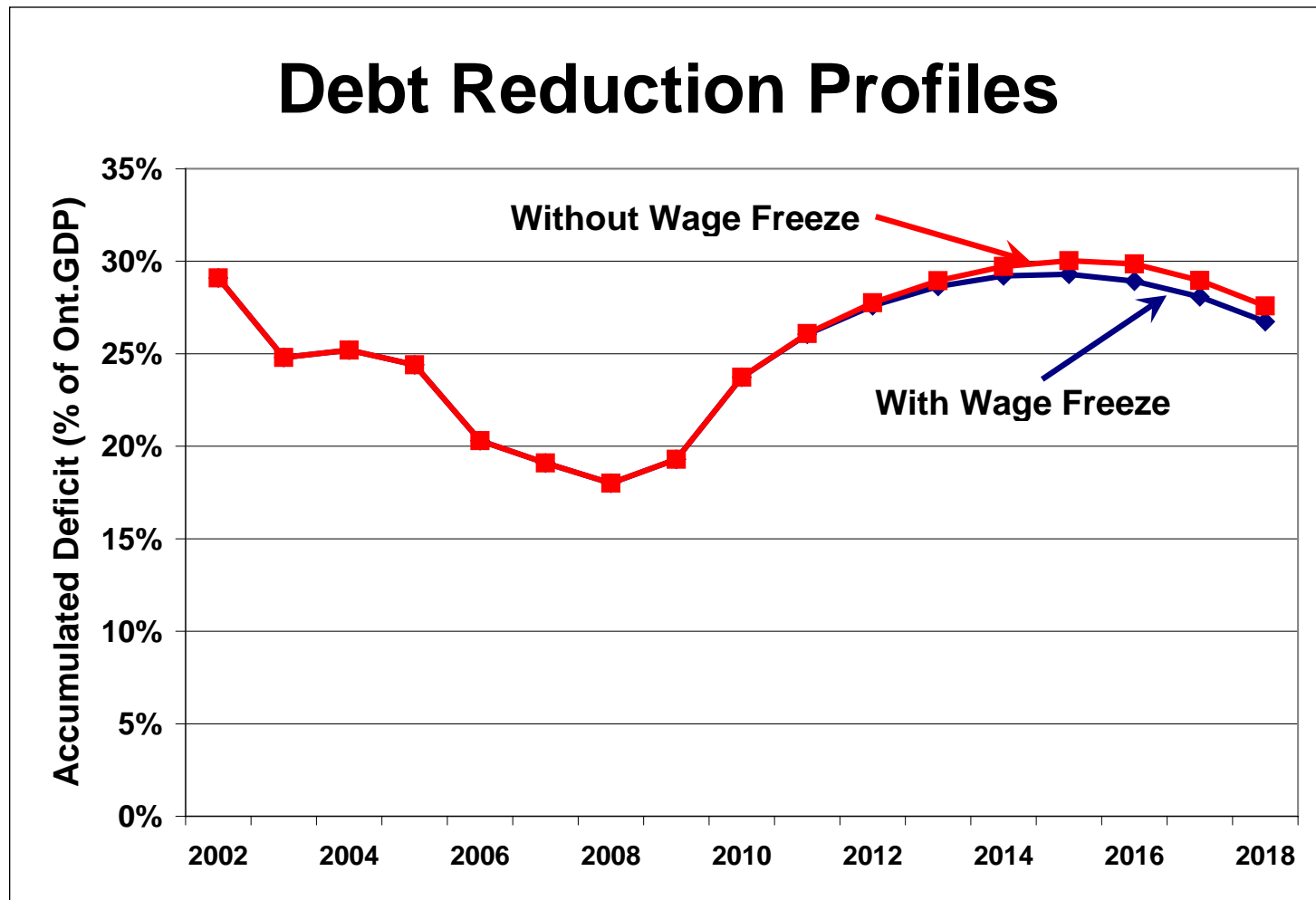
Source: Hugh Mackenzie, *Ontario Budget 2010: Deficit mania in perspective*

# Ontario program spending low compared to other provinces



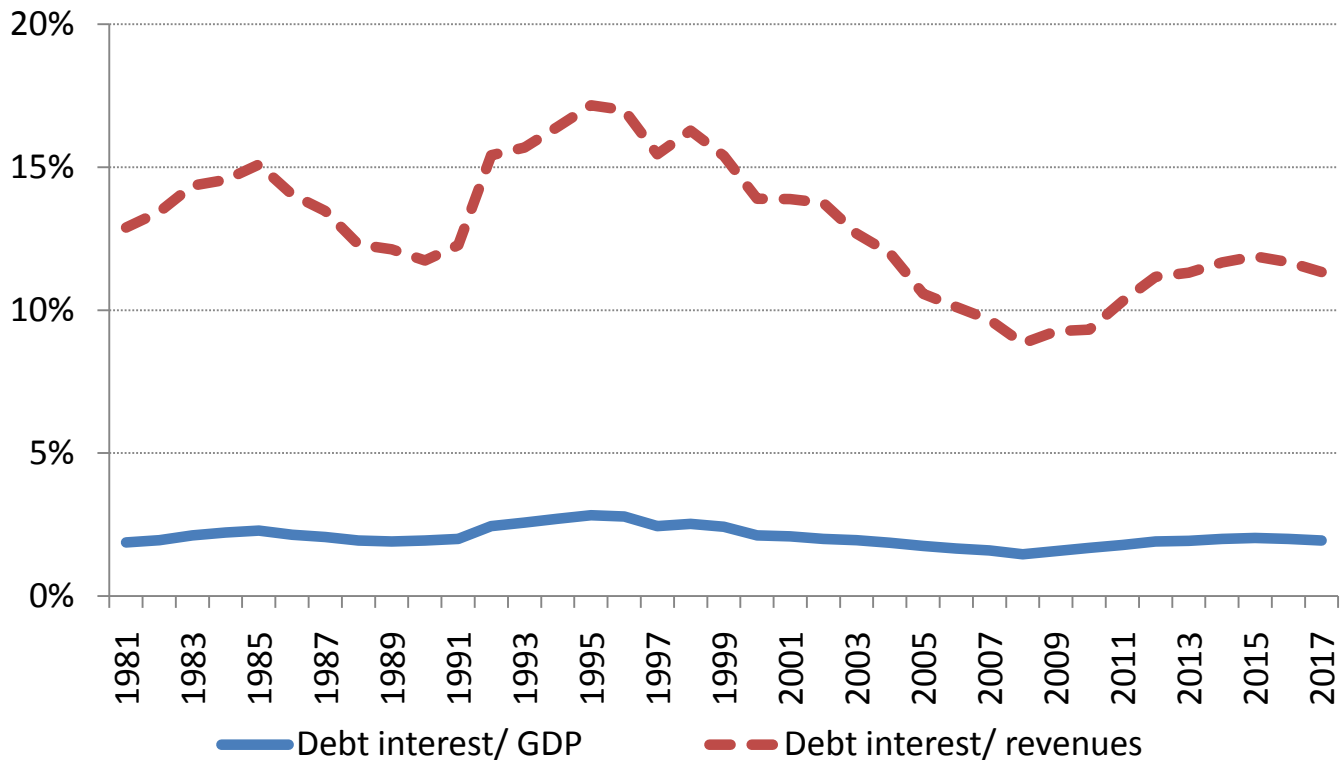


# Wage freeze will make very little difference to deficit and debt reduction



# The sky is not falling– but Ontario’s debt interest burden will soon

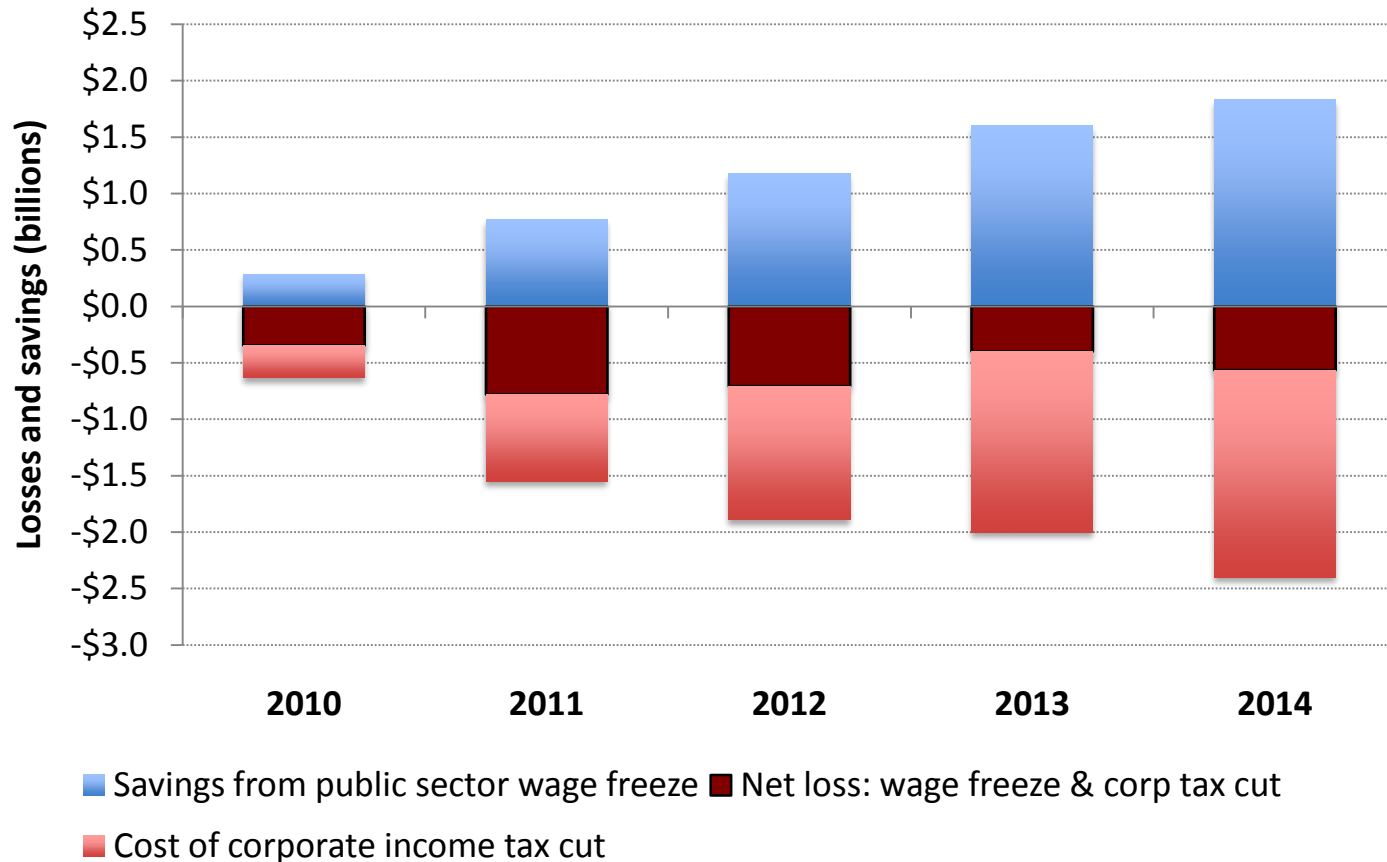
## Ontario debt interest payments as a share of provincial revenues and GDP



Sources: Statistics Canada (to 2007), 2010 Ontario Budget (2008 - 2017)

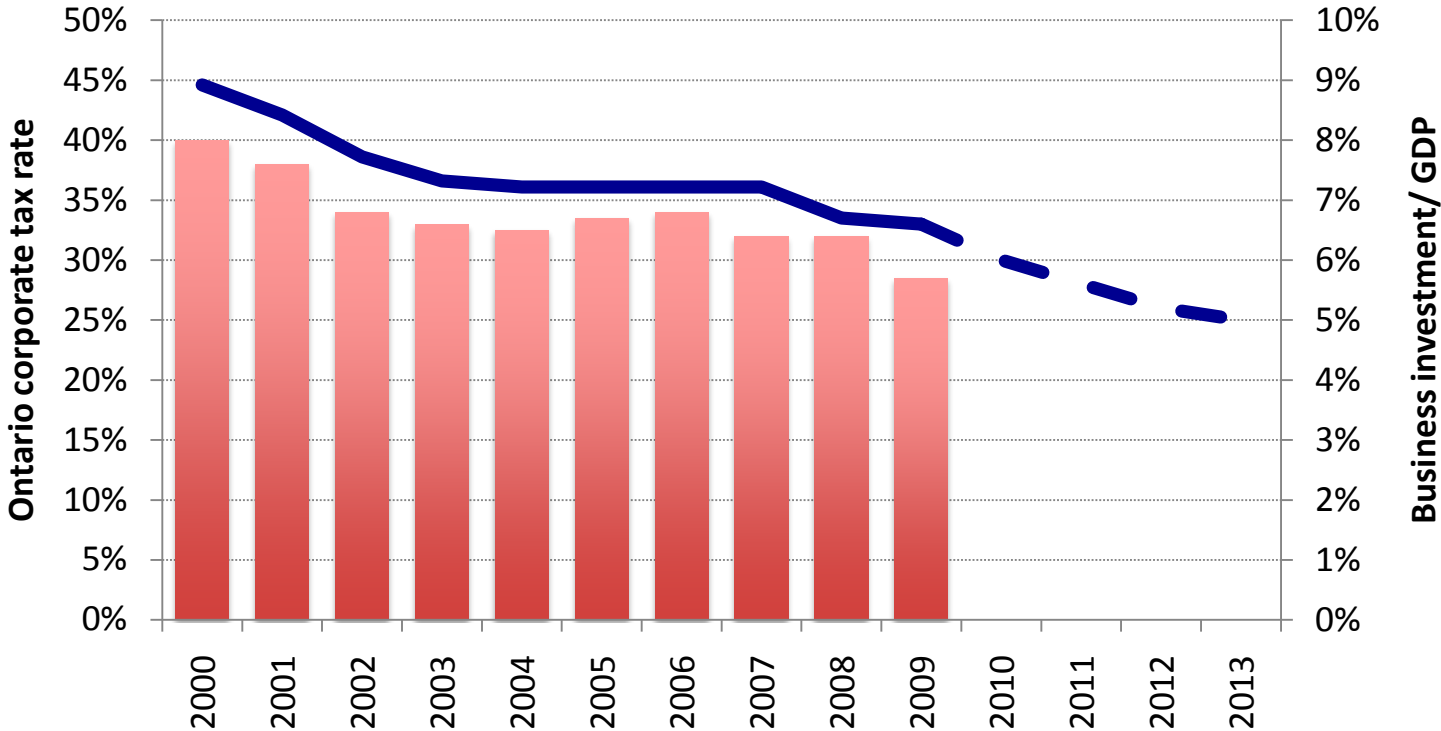
# Cost of corporate income tax cuts exceeds savings from wage freeze

Annual costs of corporate tax cuts and savings from proposed wage freeze



# Corporate tax cuts not boosting investment

Ontario combined federal-provincial corporate tax rates and business investment in machinery and equipment



Business investment/ GDP (right axis)  
Combined Fed-Prov Corp tax rate (left axis)

# Cutting public spending to fund corporate tax cuts will hurt economy

**Public Investment Yields Strongest Economic Impact**  
(per \$1 Million invested or spent)

