

HUDAK'S BAD MATH



IF TIM HUDAK CAN'T EVEN ADD UP HIS OWN NUMBERS CORRECTLY,
WHY WOULD WE TRUST HIM WITH ONTARIO'S ECONOMY
— AND OUR FUTURE?

The centrepiece of Tim Hudak's election campaign – his “Million Jobs Plan” – just doesn't add up. And it's not just us saying this anymore:

“ A growing chorus of economists says Tim Hudak misread his own economic data and vastly inflated the number of jobs his “Million Jobs Plan” would create. ”

— *Globe and Mail*, May 28

“ Errors demolished the underlying economic rationale the party had put forward for its smaller-government lower-tax plan. ”

— Paul Boothe in *Macleans*, May 27

“ The million-job claim is quite bogus ... utter nonsense. ”

— Scott Clark and Peter Devries, *iPolitics*, May 27

“ With the Million Jobs Plan shot full of holes, Hudak has reverted to his angry 2011 persona. ”

— David Reevely, *Ottawa Citizen*, June 2

Hudak claims in his TV ads that there are “almost a million people out of work in Ontario”. Not even close. There are actually 550,000 people unemployed in Ontario. That's far too many unemployed, but it's also far from 1 million.

Hudak's biggest mistake, whether intentional or not, is counting each year that a person has a job as if it were a new permanent position. This confusion between new permanent jobs and “person years” of employment vastly inflates the number of new jobs that would be created from each measure – even if we believe the findings of the consultants that the Conservatives hired.

On Twitter, this massive error was widely mocked under the hashtag #Hudak8, but it's just one of many problems and mistakes in his centerpiece “Million Jobs Plan”. Almost every one of Hudak's job creation claims are grossly overstated:



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HUDAK'S MILLION JOBS SCAM

HUDAK'S CLAIM

REALITY

Cut corporate taxes. Hudak claims that cutting the corporate tax rate from 11.5% to 8% for big business would create 119,808 jobs, but even the Conference Board report the Conservatives commissioned says it would only create 18,630 jobs within eight years. Hudak just added up all the person years of employment over eight years. However, with Canadian corporations already sitting on over \$600 billion in excess cash, there's no reason to believe that another multi-billion dollar tax cut gift to corporations from Hudak would spur them to create jobs by investing in the economy. The cost of this tax cut to Ontarians? According to the Conference Board report, it would cost an average of \$2.5 billion a year and \$20 billion over eight years. Other experts have estimated the tax cut could cost as much as \$3.4 billion a year.

119,808

Zero to 18,630

End support for renewable energy. Hudak says ending wind and solar subsidies would generate 40,384 jobs, but even the far-right U.S. economist the Conservatives hired only estimated the job gains at 5,048 total, with Hudak again multiplying by eight. In addition, these figures don't account for the job losses from ending this program, which are estimated at 31,000.

40,384

-31,000 to 5,048

Reduce the "regulatory burden". Hudak claims reducing regulations for business would create 84,800 jobs. Once again, he's multiplied by eight the 10,600 jobs their right-wing U.S. economist, Benjamin Zycher, claims would be created by reducing regulations and increasing "Economic Freedom," which they and the Fraser Institute define as lower minimum wages and weaker unions. According to the Fraser Institute, the right-to-work state of Tennessee has the greatest level of regulatory "Economic Freedom" in North America – 75% higher than Ontario. However, its GDP per person (2012) was 15% lower than Ontario's. Its unemployment rate is higher than Ontario, its minimum wage is 28% lower, and it has one of the highest poverty rates in the U.S. If this is what Hudak's deregulation and "Economic Freedom" will lead to, Ontarians should resist it strenuously.

84,800

Negative to 10,600

Develop the Ring of Fire. This is one of the few areas where Hudak hasn't massively exaggerated job creation numbers, but he's still misunderstood the Chamber of Commerce report where the numbers come from. Regardless, development in northern Ontario's Ring of Fire region is proceeding anyway, so Hudak can't claim he would create any additional jobs.

4,400

Zero

Participate in New West Partnership Trade Agreement. The analysis by the Conservatives' outsourced economist, Benjamin Zycher, didn't find this free trade deal had any statistically significant impact on employment, but they went ahead and used the numbers anyway – and then multiplied them by eight again. Even if we accept Zycher's junky numbers, the total should be 199 jobs, not 1,592.

1,592

Zero to 199

Reform Apprenticeships. Hudak claims reducing the journeyman to apprentice ratio to 1:1 for all trades would create 170,240 jobs, by doubling the number of apprentices. This is absurd. Reports of widespread skills and labour shortages have been widely discredited and there are limited job vacancies in trades occupations. Instead, Hudak's proposal would result in apprentices displacing existing better paid jobs, while the capacity of colleges to provide quality apprenticeship training – programs which are already full – will be eroded by Hudak's public sector job cuts.

170,240

Zero

Break traffic gridlock in Toronto. Hudak claims 96,000 jobs would be created from breaking traffic gridlock in Toronto, but the research he references indicates the total jobs created would be 25,962 if all congestion is eliminated. That is wishful thinking. Either way, jobs will be generated by investment in public transit and road construction because all political parties are planning that, so Hudak cannot claim that additional jobs will be created here.

96,000

Zero to 25,962

continued...

HUDAK'S MILLION JOBS SCAM continued

	HUDAK'S CLAIM	REALITY
<p>Cut personal income taxes over four years in second term. Hudak claims personal income tax cuts in his second term will create 47,080 jobs. Once again he's added up the person years of employment here, instead of the permanent jobs created. Making matters worse, these cuts would cost as much as \$2 billion a year and more than \$8 billion over four years. And who would benefit? He doesn't say how he'd cut taxes, but we can bet top income earners would gain the most.</p>	47,080	5,885 to 11,770
<p>Eliminate 100,000 public sector jobs. Hudak includes the 100,000 job cuts he's pledged to cut, but doesn't include the additional 67,000 spin-off jobs that would be lost in the private sector as a result of these cuts.</p>	-100,000	-167,000 to -100,000
<p>Restrain public sector job growth to population growth over four years in second term. Hudak claims this would create 43,184 jobs. This claim is miscalculated on different levels. First, general job growth in line with population should be included in baseline job growth. Second, restraint generally means fewer jobs, not more.</p>	43,184	Zero
<p>SUBTOTAL of "Million Jobs Plan" measures</p>	507,488	-192,115 to -27,791
<p>Baseline job growth. Over half of the jobs Hudak is promising are supposed to come from baseline job growth of 523,200 over eight years. This is job growth that is expected to occur if the economy continues on its current course, and not as a result of any of his policies. Yet Hudak is counting on it for more than half of his million jobs promise.</p>	523,200	523,200
<p>TOTALS</p>	1,030,688	331,085 to 495,409

THE BOTTOM LINE

As the table above shows, far from creating jobs, Hudak's "Million Jobs Plan" would instead **destroy** them. His combination of tax cuts, deregulation, "breaking gridlock" and public sector job cuts would result in an estimated net total of 27,791 **job losses**—and that's using numbers from the reports Hudak commissioned. Hudak's plan could result in a net loss of as many as 192,000 jobs using more realistic calculations. It's only by adding in his estimate of baseline job growth, which has nothing to do with his policies, that we'd get any net overall job creation at all. Even then, that would be less than half the million jobs he's promised and **would not be enough to reduce unemployment rates in Ontario.**

According to Ontario's Long-Term Report on the Economy, Ontario's labour force is expected to grow by 1 percent annually from 2014 to 2017 and by 0.9 percent annually from 2018 to 2022. This means there will be an additional 657,000 people in Ontario's labour force by 2022. Hudak's policies

together with baseline job growth will only generate a net total of 495,000 additional jobs by 2022. This means unemployment in Ontario will **actually increase** by 162,000 under Hudak's plan, driving the unemployment rate to 8.9 percent – much higher than the 5.6 percent rate currently forecasted for Ontario by 2022. If Hudak's plan only generated net employment growth of 331,000 in the next eight years, things could be even worse as Ontario's unemployment rate would rise above 10 percent.

The problem isn't just that Hudak's "Million Jobs Plan" is full of mathematical errors, whether intentional or not. The bigger problem is that the Conservatives policies and plans are fundamentally flawed. **Ontario unquestionably needs more good quality jobs with decent wages and benefits, but Hudak would take Ontario in exactly the wrong direction. His plan would destroy jobs, not create them; increase unemployment; and undermine the quality, pay and security of the jobs that remain.**

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