

**PULLING
UP
THE
LADDER**



**Austerity's Impact on
the Next Generation**



**WORKERS UNDER 30 COMMITTEE
ONTARIO FEDERATION OF LABOUR**



A Call to Young Workers

There has never been a more important time for young workers to become actively engaged in the struggles of the labour movement – and for trade unionists to take inspiration from the activism of students and youth.

Last year's Occupy movement and this year's student strike in Québec were important moments where labour unions fell in behind youth-led campaigns against inequality. However, it is also vital for young workers to take an active role in their unions or to organize their workplaces.

After all, the decisions made by policy-makers today will determine your futures. Both within society and within our labour movement, your generation is the future and your voice is vital.

Sid Ryan
President

Nancy Hutchison
Secretary-Treasurer

Irwin Nanda
Executive Vice-President



**WORKERS UNDER 30 COMMITTEE
ONTARIO FEDERATION OF LABOUR**

Pulling Up the Ladder: Austerity's Impact on the Next Generation
November 2012

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The Ontario Federation of Labour (OFL) represents 54 unions and one million workers. It is Canada's largest provincial labour federation. The OFL Workers Under 30 Committee gives voice and action to Ontario's young workers.

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Youth and the Struggle for an Equitable Future

Branding their re-engineering of the social safety net as “Austerity,” Baby Boomer politicians at every level are championing a stunning double standard that plots to pull up the ladder in health care, post-secondary education, Employment Insurance and Old Age Security, just after their generation has taken full advantage of each. These social program cuts will have the most significant impact on the next generation of workers and threaten to undermine the advancement of young people from equity-seeking groups.

The economic climate and Austerity cuts have slowed down employment growth; resulted in cuts to summer jobs programs that provide money and experience and negatively impacted job creation programs. On almost every count, young workers are the most adversely affected.

What’s at stake?

- Good jobs with benefits
- Access to post-secondary education
- Employment Insurance
- Universal health care
- Social Assistance & Disability Income Support
- Retirement security

This new reality is unfolding at a time when Canada needs to increase future productivity to support an aging population and to compete in a global economy.

According to the Organisation for Economic Co-operation and Development (OECD):

“A shrinking youth population implies that growth in the supply of skilled labour will require encouraging participation for currently underrepresented groups such as those from low-income families with no history of higher education, mature students and Aboriginal students.”¹

1 OECD. (2012).



Yet, the “Austerity” strategy that is currently being advanced by many governments in Canada – including the Harper and McGuinty governments – will do the exact opposite of the rationale employed to justify the cuts. It will slow the already struggling economic recovery, delay balancing the provincial budget and hurt countless numbers of Ontario’s families who depend on their jobs and on public services.

“Governments shouldn’t be aggressively cutting spending when the economy is grasping for air... That’s certainly the wrong prescription.”

- Douglas Porter, Chief Economist, BMO Nesbitt Burns

Most importantly, the cuts to public sector jobs and services will have a devastating impact on the next generation of workers, who may never benefit from a social safety net, rights and protections that past generations fought to secure. The cruel irony of Austerity is that many of the most dramatic cuts to social services are being introduced in a way that is designed not to impact current service recipients. This means that, in many cases, today’s policy makers are protecting themselves, but leaving a legacy of cuts for their children and their children’s children.

This “generational warfare” has motivated strong resistance from youth and students in Canada and around the world.

This booklet is intended to be a resource guide for young workers and young worker advocates. It does not contain original research, but instead serves as a digest of existing research. A comprehensive list of sources is included as endnotes to this booklet for your reference.

On the surface, the statistics and projections in this document paint a bleak picture of the world that the next generation of workers is inheriting. However, with the passion, energy and optimism that today’s young workers bring to the social justice movement, along with the support and solidarity of community and labour allies of all ages, it is possible to change the future that is forecasted here. Indeed, it is possible to change the world.

NOTE: Throughout this document, the terminology used to refer to diversity will reflect the terminology used in the original source of the research.

Who are Today's Youth?

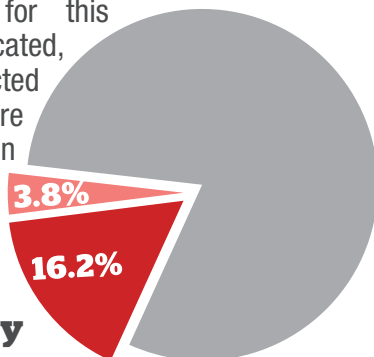
Today's youth are more diverse, mobile and educated than any previous generation. They are also optimistic, principled, idealistic and ready to change the world.

First, let's get a snapshot of the next generation – which some have called “Generation Flux”:²

- **Diverse!** Almost one in five Canadians aged 18-34 is foreign-born and one in six is a member of a visible minority.³
- **Urban!** The most mobile group in the population, young people are more likely to live in one of Canada's largest cities where education and job opportunities are more abundant.
- **Cultured!** They tend to be supporters of arts and recreation.
- **Smart!** 15-year-old Canadians continue to be among the best in the world in reading, math and science according to the OECD.⁴
- **Educated!** Full-time university enrolment is at an all-time high. Between 2000 and 2010, the proportion of adults aged 25 to 64 with a post-secondary education increased from 40% to 51% in Canada. At the same time, those with less than a high school diploma decreased, from 19% to 12%.⁵

Many factors are improving for this generation: they are educated, principled, healthy, socially connected and politically savvy – but many are also at risk and the gap between those doing well and those who are marginalized is growing.

- **Aboriginal**
- **Visible Minority**



(Source: Statistics Canada, 2008)

2 O'Rourke (2012).

3 Clark (2008). pp. 1-21

4 Knighton, Brochu, Gluszynski. (2010).

5 Fong (2012). pp. 1-3



A Challenging Future for Today's Youth

Today's youth are the first generation in history to face a lower standard of living than their parent's generation. The new reality is that the linear path from school to career, home ownership, family rearing and retirement security is quickly disappearing.

Here are some of the key challenges facing today's young workers:

- **Heavy debt loads :** Graduating students carry public debt loads that average between \$20,000 and \$30,000 and take 14 years to pay off. When private sources of debt are added in, the average graduate is carrying \$37,000 of debt.⁶
- **Summer job prospects dim:** Student jobs last summer were at the lowest level since data was first recorded in 1977, and the youth unemployment rate in June of 14.8 percent was more than double the national average.
- **Post-secondary education delayed:** In some provinces the number of students delaying post-secondary education has increased by up to 200 percent, as youth try to improve their grades or save for tuition fees.
- **Poor employment prospects:** One out of three students enter low-skilled jobs after graduating.
- **Competition for work:** Baby Boomers who are delaying retirement or returning to work after retirement reduce employment prospects for youth.
- **Priced out of the housing market:** House prices have tripled in the last 30 years.⁷

While young Canadians are among the best educated in the world, there is a growing gap between those who thrive and those left behind.

Debt, unemployment, lower wages, historically high housing costs, and poverty delay important life transitions like getting married, buying a home, starting a family, putting down roots in a community.

⁶ Bayard & Greenlee. (2009).

⁷ Angella MacEwan. Canadian Labour Congress.

Student & Youth Unemployment

The last hired are the first fired! Today's youth continue to be hit the hardest by the economic downturn and face jobless rates that have barely budged since the depths of the recession.

Youth participation in the labour force has declined significantly since September 2008, an indication that many of those who can't find jobs have either gone back to school, or stopped looking altogether. In fact, in 2012, summer jobs were at the lowest level since data was first collected in 1977—making it almost impossible to save for tuition, pay down debt or afford housing.⁸

In many cases, youth who are fortunate enough to find work are relegated to part-time or piecemeal jobs that do not provide benefits or career prospects.

Here is a look at rising youth unemployment in Canada:

16 Percentage of Canada's labour market comprised by young people ... yet they made up HALF of all job losses during the recession.

14.8 Percentage of unemployed youth in summer 2012, compared to 7.2 percent of the national workforce.

20.4 Percentage of Canadian youth, ages 15 to 24, who fell into Statistics Canada's broader category of unemployed, including discouraged, waiting or involuntarily part-time workers.

34,000 Number of jobs added in August 2012, while 22,000 youth lost their jobs.

72,000 Number of workers between 15 and 24 years old lost their jobs in 2011 (a 2.9 percent drop from 2010).

250,000 Number of young worker jobs that have disappeared since the pre-recession peak in 2008.⁹

8 Statistics Canada. (2012).

9 Fong. (2012).

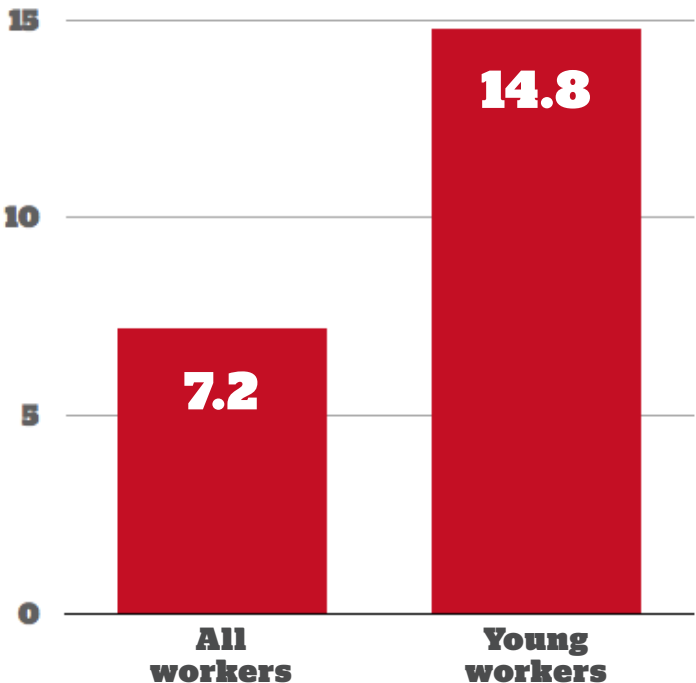


Ontario Federation of Labour

- 47.9%** Employment rate in summer 2012 for students aged 15 to 24, compared to 48.6 percent during the depths of the recession in the summer of 2009.
- 48,000** More part-time jobs were created across all age groups in August 2012. But 12,000 full-time jobs were lost during the same period - almost exclusively impacting young workers.
- 55,000** Number of youth in 2011 who had been looking for a job for more than 6 months, representing one percent of all youth and 14 percent of unemployed youth.

These statistics show an alarming trend in today's economy that appears to be leaving young people on the sidelines of the recovery.

Canadian Unemployment Rates Summer 2012



(Source: Statistics Canada)

Inequality Creates Barriers from the Start

This year, the McGuinty government cancelled inflationary increases to the Child Benefit and announced that they will resume at half the promised rate after a year delay, in 2013.¹⁰ This flies in the face of the government's stated commitment to reduce child poverty by 20 percent by 2013.

Over the past three decades, poverty rates have fallen in five provinces in Canada, but during the same period British Columbia and Ontario led the country in poverty increases, seeing rates climb by 4.8 and 3.7 percent respectively.¹¹ At 13.1 percent, Ontario's poverty rate affects 1,689,000 people. However, for children, one in seven children live in poverty - a ratio that climbs to one in two in some racialized communities.

Without a proper start, young people's career options can be beat before they get started.

14.6% Ontario's rate of child poverty affecting 393,000 children.¹²

18.4% Poverty rate among Aboriginal Ontarians.¹³

33.8% Poverty rate in households where the major income earner is under the age of 25.¹⁴

200-400 Percentage of racialized families living below the low income cut-off (LICO), compared to non-racialized families.¹⁵

70% Rate of high-school drop outs in some disadvantaged neighbourhoods counters the national trend towards declining drop-out rates. In comparison, affluent neighbourhoods experience drop out rates between 6 and 11 percent.¹⁶

10 Ontario Common Front. (2012).

11 Ibid.

12 Campaign 2000. (2012). pp. 2.

13 Noel & Larocque. (2009). pp. 8.

14 Sauvé. (2012). pp. 1-40.

15 Ontario Council of Agencies Serving Immigrants. (2011).

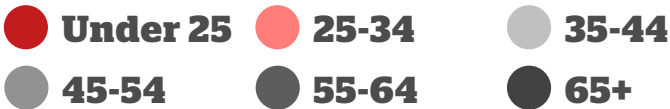
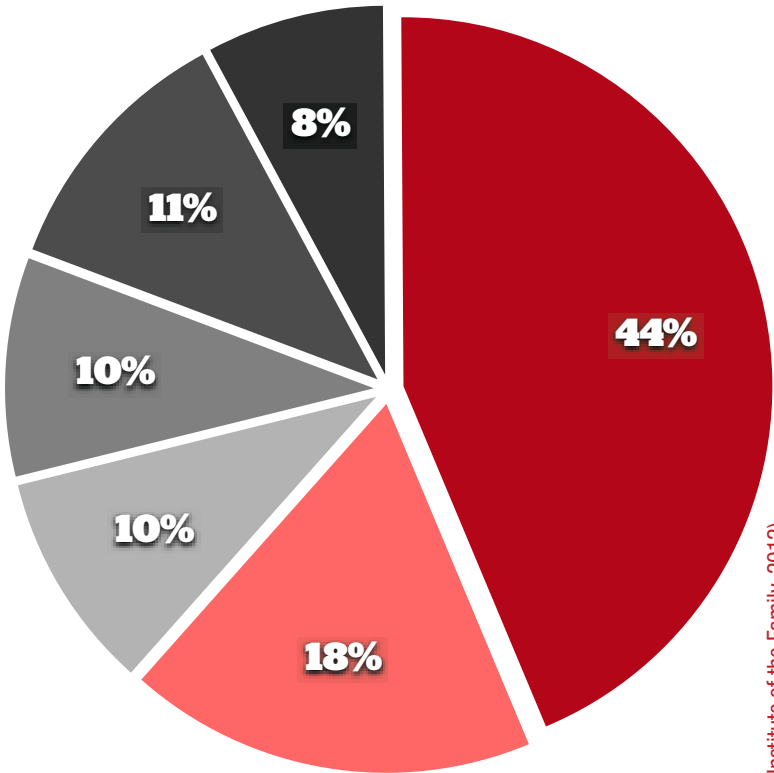
16 Pathways to Education. (2012).



200% Rural drop-out rates versus those of cities.¹⁷

\$307B Collective lifetime loss of earning potential of high-school drop outs in Canada.¹⁸ They work more hours but earn an average of \$70-97 less per week.

Canadian Family Poverty Rates by Age



(Source: Vanier Institute of the Family, 2012)

¹⁷ Gilmore (2010).

¹⁸ O'Rourke. (2012). pp.3.

Postponing Post-Secondary Education

Increasingly, students, especially in rural communities, are returning for an additional year of high school to improve their grades for university admissions or to save for tuition fees. This can have a detrimental effect through loss of earnings and delayed advancement through promotions. The lag time between high-school completion and starting a post-secondary program is increasing and is much greater for males, off-reserve Aboriginal youth and Anglophones.¹⁹

15 Median number of months that Aboriginal youth delay starting post-secondary studies after high school.

3 Median delay, in months of the average non-Aboriginal high school student. (Five times less than their Aboriginal counterparts).

8 Median delay, in months, of rural students.

60 Percentage of students attending post-secondary education who have to work an average of 18 hours a week while in study.²⁰

74 Percentage of Canadian youth in post-secondary education, compared to 83 percent in Québec, where university fees are the lowest in the country and college education is free.

Factors that can act as barriers to further education are numerous. Some are related to student and family-background characteristics, while others are related to the cost of attending post-secondary education, as well as other factors.

Regardless of the reason, the longer the delay, the less likely a student is to pursue higher education.

19 Hango. (2011)

20 Canadian University Survey Consortium. (2012). pp.iii.



Record Tuition Fees

Ontario students currently pay the most for post-secondary education and graduate with the highest debt-loads in the country.

Between 1990 and 2012, tuition fees in Ontario for undergraduate students increased from \$2,000 per year for any program to over \$7,180 per year, while annual fees in many professional programs like law or medical school have now top \$25,000.²¹

350% Increase in Ontario undergraduate tuition fees between 1990 and 2012.²²

29% Surplus that Ontario undergraduate students pay for higher learning above the Canadian average. Graduate students pay 41 percent more.²³

6.2% The average annual rate of increase in tuition fees between 1990 and 2011 - 2.5 times higher than the 2.1 percent inflation over that same period.²⁴

\$78,817 Total cost of a four-year university degree for students not living at home (including fees, books, housing, food, expenses and interest). The cost for a two-year college program is over \$30,000.²⁵

34% Percentage of students who cite financial reasons for failing to complete their studies.²⁶

\$170 Annual cost to the average family to eliminate university tuition fees in Ontario.²⁷

5 Number of weeks Premier Dalton McGuinty would have had to work each year at minimum wage to pay his law school tuition fees in 1980.

57 Number of weeks today's students would have to work to pay law fees at the University of Toronto.²⁸

21 Statistics Canada. (2012).

22 Canadian Federation of Students-Ontario. (2012). pp.21.

23 Ibid. pp.21.

24 MacDonald & Shaker. (2012).

25 Ibid.

26 Lambert, Zeman, Allen & Bussière. (2004). pp.15.

27 MacDonald & Shaker. (2011).

28 Canadian Federation of Students.

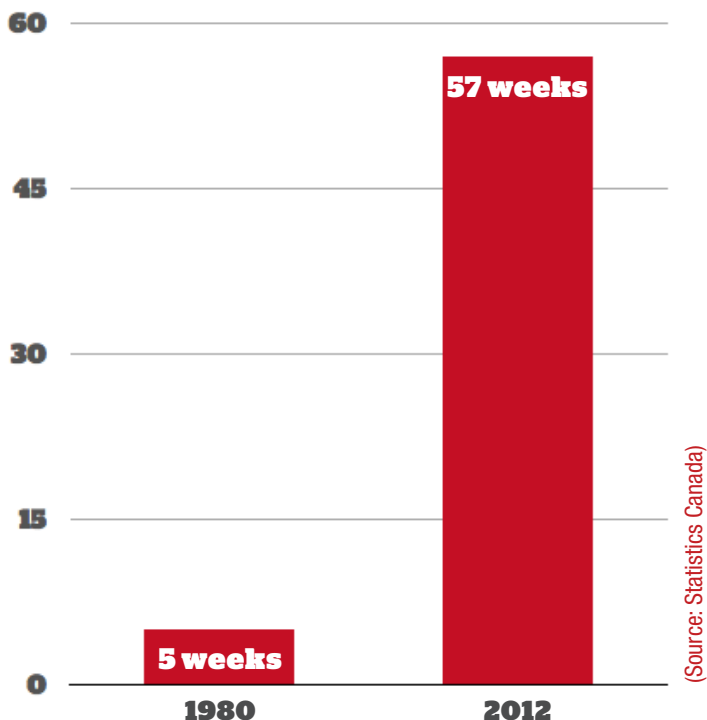
Tuition fee increases in Ontario have not translated into higher quality education. In fact, while Ontario now boasts the highest fees in Canada, it also has the largest class sizes and the worst per student government funding of any province in Canada. This means that students in Ontario have the worst of both worlds - high cost and low quality.

Consider that law tuition fees for domestic students at the University of Toronto this year are \$27,864, while Québec students attending McGill's law program paid only \$2,421.90. Yet no one would doubt the quality of a McGill law degree.

Ontario's high fees will mean that only the sons and daughters of doctors and lawyers can afford to become the next generation of doctors and lawyers.

Working Harder to Pay for School

Number of weeks of full-time work at minimum wage to pay for one year of law school tuition fees.



Graduating with Mortgage-Sized Debt

As tuition fees continue to rise in Ontario, students are forced to rely on student loans and private sources of debt. The result is a population of graduates who begin their careers with an unprecedented debt burden that impacts their career choices, family planning and asset attainment.

\$27,747 Average Ontario university student debt for a four-year degree. College students graduate with an average debt of \$10,889 for a two-year diploma.²⁹

\$14,000 Average Québec university student debt, where tuition fees are less than half the national average.

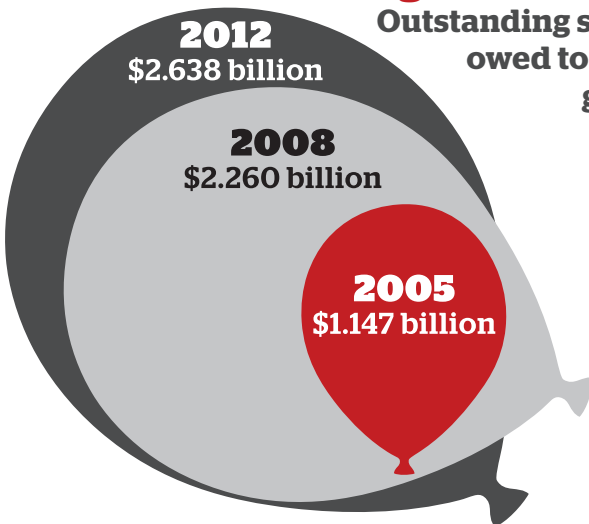
57 Percentage of graduating students with debt.

25 Percentage of graduating students with debt loads over \$25,000.

\$11,833 Interest paid on average university graduate debt.³⁰

Student Debt in Ontario is Ballooning to Record Levels

Outstanding student debt owed to the Ontario government



²⁹ Mangaroo. (2012).

³⁰ Ibid.

Who is Left Behind? Tuition Fees and Income Inequality

In the current labour market, where 70 percent of all new listed jobs require some form of post-secondary education, access to education is a requirement for middle-income employability and a precondition for social and economic mobility. In 2009, Canada's employment rate for adults aged 25-64 who had not completed secondary education was only 55 percent, while the rate for graduates of college and university programs was 82 percent. Moreover, earnings of university graduates were 70 percent higher on average than high school graduates.³¹

Today's substantial up-front cost of post-secondary education constitutes a barrier for low-income and marginalized people who are hoping to improve the lives of their families.

- 11** Percentage of Ontario's northern population with a university degree, compared to 20 percent of the overall population.³²
- 58.5** University participation rate of students from families with incomes below \$25,000, as compared to 80.9 percent for those from families above \$100,000.³³
- 21** Percentage of the annual average income of racialized women consumed by tuition fees, as compared to 15 percent of the incomes of racialized men and 10 percent of non-racialized men.³⁴
- 33.5** Percentage of racialized young men who earn below the overall average.³⁵
- 45** Percentage of recent immigrants who take on loans to pay for higher education, as compared to 31 percent of non-immigrant students.³⁶

31 Statistics Canada. (2012, May).

32 Canadian Federation of Students. (2011).

33 Canadian Association of University Teachers. (2012). pp.49.

34 Canadian Federation of Students. (2010).

35 Colour of Poverty. Fact Sheet #1. (2007).

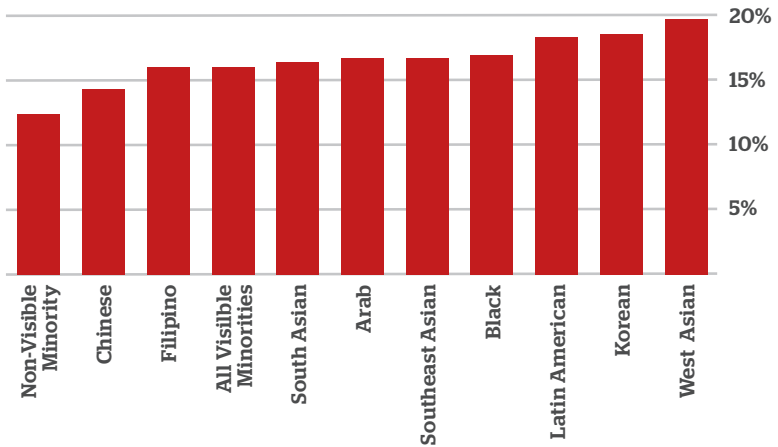
36 Kapsalis. (2006).

20,000 Number of eligible Aboriginal students currently on a waiting list to get funding to continue their studies.³⁷

19 Percentage of Ontario's undergraduate students who self-identify as a member of a visible minority group. Only three percent self-identify as Aboriginal.³⁸

The employment reality facing university graduates contradicts the commonly-held belief that 'education is the great social equalizer.' While 38 percent of Canadian-born non-racialized people with a university education were in the top income quintile, only 29 percent of Canadian-born racialized people and 21 percent of foreign-born racialized people achieved the same standing, despite having the same educational attainment.³⁹

Tuition fees as a percentage of average income among various visible minority communities



(Source: Statistics Canada, 2006)

³⁷ Canadian Federation of Students (2012). *Enough is enough: Aboriginal students demand action to broaden access to post-secondary education*. Media Release. Ottawa, ON: Canadian Federation of Students. Link: <http://www.newswire.ca/en/story/910703/enough-is-enough-aboriginal-students-demand-action-to-broaden-access-to-post-secondary-education>

³⁸ Colour of Poverty. Fact Sheet #3. (2007).

³⁹ Galabuzi & Teelucksingh. (2005).

Job Cuts Hurt Women and Marginalized Communities

Today, women earn on average 71 cents for every dollar earned by men. This 29 percent income gap is down from 38 percent in 1988,⁴⁰ but the gains made over recent decades will be jeopardized by cuts to public sector jobs – where women workers are far more likely to be unionized. Today’s young women could face a tougher labour market than their mothers did.

However, the gendered income gap is not shared equally among all women and both women and men who are racialized, Aboriginal or have disabilities are falling behind.⁴¹

\$0.81 Earnings of racialized workers for every dollar earned by their non-racialized counterparts.

\$0.71 Women’s earnings compared to the male dollar.

\$0.46 Aboriginal workers’ earnings compared one dollar earned by non-aboriginal workers.

7 Number of every ten part-time workers who are women.

60 Percentage of Ontario public sector employees who are women.⁴²

4.5 Percentage by which wages earned by women employed in public sector jobs surpass the earnings of women in comparable occupations in the private sector (\$45,821 compared to \$43,841).

66 Percentage of women working in the public sector who have pensions, as opposed to only one third in the private sector.

27 Percentage shortfall in female high school graduate earnings, below their male counterparts.⁴³

25 Percentage of Aboriginal workers who earn less than \$30,000 per year.

40 Cornish & Faraday. (2008).

41 Ibid.

42 Statistics Canada. (2012)

43 Canadian Federation of Students-Ontario. (2010).



Women make up the vast majority of part-time workers in Canada, are more likely to hold multiple jobs and outnumber men in nine of the 10 lowest paying occupations.⁴⁴ However, women’s prevalence in the public sector has helped close the wage gap through better wages and benefits that are characteristic of this more highly unionized environment. Public sector jobs are more likely to offer decent wages, extended health coverage, maternity benefits and pensions. With Stephen Harper’s plan to axe 20,000 federal public service jobs and similar cuts planned at provincial and municipal levels, these Austerity measures will impact women more greatly and set pay equity gains back across the province.

When women lose good jobs in the public service, they often fall back on precarious, contractual, part-time or minimum wage work.

Persistent underfunding of child care is causing closures across the province that will make it more difficult for many mothers to stay in the work force. At the federal level, Harper eliminated child care funding agreements and destroyed the potential for a national child care program.⁴⁵

While increasing levels of educational attainment have helped close the wage gap, the persistence of lower wages among women and racialized workers after graduation suggests the resilience of systemic discrimination in Canadian society.

Persistent Gendered Income Gap

Education Level	Earnings: Women	Earnings: Men	Difference
University Degree	\$62,800	\$ 91,800	68.3%
PSE certificate	\$41,100	\$57,700	71.2%
Some PSE	\$36,400	\$50,100	72.6%
High school diploma	\$35,400	\$50,300	70.4%
Some high school	\$28,600	\$43,600	65.6%
< Grade 9	\$20,800	\$40,400	51.5%
Overall Avg			71.3%

(Source: Statistics Canada)

44 <http://www.equalpaycoalition.org/about-pay-equity/about-the-pay-gap/>

45 Public Service Alliance of Canada. (2012).

The Need for Investment in Aboriginal Youth

Aboriginal youth deserve particular attention on two counts: they are among the most severely marginalized in today's society and they are the fastest growing population in Canada.

The Aboriginal population is growing almost twice as fast as the Canadian population.

31.0 Projected median age of the Aboriginal population by 2026, compared to 43.3 years for the Canadian population.⁴⁶

69% Projected increase in the on-reserve Aboriginal population by 69 percent by 2026 (urban Aboriginal population is expected to increase by 42 percent and the rural population by 22 percent.)

\$2,000 Funding shortfall for each primary or secondary Aboriginal student in Canada, below students in provincially funded public and catholic schools.⁴⁷

70 Percentage of Aboriginal students who do not graduate from high school every year.⁴⁸

14,500 Number of Aboriginal students studying at college or university in Ontario each year.⁴⁹

2.4 Percentage increase in Aboriginal post-secondary students over the past decade, while there has been a 21 percent increase in the adult Aboriginal population over the same period.

2 Percentage increase to annual funding for Aboriginal post-secondary students. Meanwhile, tuition fees in Ontario are rising by five percent per year.

With an estimated 600,000 young Aboriginal people entering the work force over the coming years, unless their educational levels are improved, they will be shut out of the labour market.

46 Steffler. (2008).

47 Shannen's Dream Campaign: <http://www.fnccaringssociety.com/shannensdream>

48 Standing Senate Committee on Aboriginal Peoples. (2011).

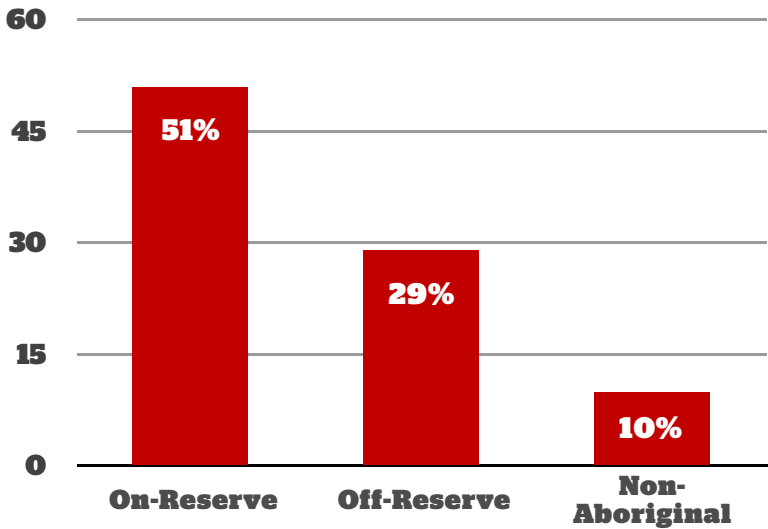
49 Canadian Federation of Students. (2012).

According to the Canadian Council of Child and Youth Advocates:

*“[t]o be an Indigenous child in Canada correlates with poverty-related barriers, including income, education and culture, employment, health, housing, being taken into care and justice” but because their population growth represents so much opportunity for all Canadians.*⁵⁰

Post-secondary educational levels of the Aboriginal population have risen in the past decade and gaps are closing with respect to life expectancy and literacy. However, the “high school education gap” relative to other Canadian youth shows little improvement and there is a persistent gap in university completion between Registered Indians and other Canadians.

High School Non-Completion Rates for First Nations & Non-Aboriginal People Aged 25 to 34



(Source: Statistics Canada, 2006)

⁵⁰ Canadian Council of Child and Youth Advocates. (2011).

Bouncing Back in Tough Times

Last year, the Harper government announced it would be closing more than 80 percent of Employment Insurance (E.I.) processing centres across Canada and eliminating hundreds of jobs associated with delivering these services. Combined with new restrictions to eligibility and benefits will leave far fewer people with the supports they need to re-enter the job market.

- 40** Percentage reduction in E.I. benefit payments between 1999 than in 1990.⁵¹
- 40** Percentage of unemployed Canadians who are eligible for E.I.⁵²
- 26** Percentage of unemployed Ontarians who meet more stringent provincial E.I. eligibility requirements.⁵³
- 30** Percentage pay cut E.I. recipients will be expected to accept if they are offered a job paying less than their previous occupation.⁵⁴
- 30** Percentage of 25 to 29 year-olds with a post-secondary diploma who move into low-skilled occupations after graduation.
- 8.7** Percentage of Ontario's racialized population that was unemployed even before the recession.⁵⁵
- 12.6** Percentage of Aboriginal people who were jobless in 2010.⁵⁶



6.4 people unemployed for every available job

(Source: Campaign 2000, 2010)

51 Stanford. (2001).

52 Toronto Star. (2012, May 24).

53 Weir. (2012).

54 Hennessy. (2012).

55 Block. (2010).

56 Campaign 2000. (2010). pp.4.

The Future of Health Care

Canada's health care system is one of the country's most cherished social programs, but will it be there for today's youth when they start families and grow old?

Ontario's health care spending is almost the lowest in the country yet this year's Ontario Budget further curtailed funding by more than \$4 billion over the next three years. These cuts will exacerbate the Ontario's hospital occupancy rates, which are already higher than virtually anywhere in the industrialized world.⁵⁷

While out-of-pocket health care costs are up all across Canada, they are highest in Ontario. In Canada, the proportion of personal disposable income being spent on health care increased from 2.65 percent in 1981 to 5.59 percent in 2010.⁵⁸

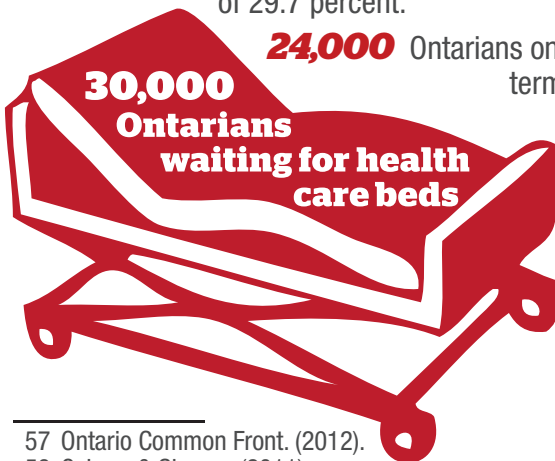
98 Percentage of occupancy rates in Ontario hospitals.

18,500 Number of hospital beds closed in Ontario since 1990.

\$3,911 Ontario's per person funding for health care; ranked 8 out of all 10 provinces.⁵⁹

32.5 Percentage of private, out-of-pocket health care spending in Ontario, compared to national average of 29.7 percent.

24,000 Ontarians on wait lists for long-term care placement.⁶⁰



10,000 Ontarians on wait lists for home care.

592 Ontarians waiting for a hospital bed at any given time.

57 Ontario Common Front. (2012).

58 Osberg & Sharpe. (2011).

59 Canadian Institute for Health Information. (2011). pp.33.

60 Ontario Health Coalition. (2012).

Priced out of the Housing Market

Lack of housing is directly linked to higher rates of illness and death.⁶¹ In Ontario, housing is more unaffordable now than it was twenty years ago, exacerbating growing income inequality and inflating poverty.

Ontario has the highest housing costs of any province (the median household shelter costs of \$10,878) and one in every three Toronto households spends 30 percent or more of their income on housing - the worst record among metropolitan areas across Canada.⁶²

Ontario also has the worst record among all the provinces in terms of affordable housing investments. In the fiscal year ending March 31, Ontario spent \$64 per capita on affordable housing, about half the provincial average of \$115 per person.⁶³

- 300** Percentage increase in house prices over 30 years.⁶⁴
- 152,000** Number of households waiting for assisted housing.
- 20** Percentage of renters paying more than half their income on rent, putting them at risk of homelessness.
- 10,000** Estimated number of new affordable housing units required in Ontario over the next decade.

Without responsible investment in affordable housing, many families will have to choose between food and shelter.

Per Capita Spending on Affordable Housing

(Source: Shapcott, 2011)



61 Shapcott. (2008).

62 Shapcott. (2011).

63 Ibid.

64 Angella MacEwan. Canadian Labour Congress.



Two Tiers = Second Class

It has long been a fundamental principle of the labour movement that all workers regardless of age, gender or race are entitled to equal pay for equal work. However, employers throughout Canada, both in the public and private sectors, have increasingly turned to two-tier compensation schemes as a way of cutting costs.

For many companies enjoying record profits, the introduction of two-tier wages and benefits for new hires is a means through which they seek to permanently lower wages in an entire industry while attempting to circumvent resistance from current employees.

Younger workers bear the brunt of such action. They end up working in the same jobs as more senior workers, but without the same benefits. The reduced benefits may be felt in the short term in the form of lower wages, less vacation, and fewer health benefits, or they may have a much longer horizon such as the substitution of “defined contribution” pension plans for “defined benefit” plans. These differences in the treatment of younger and older workers raise fundamental questions of fairness and create extensive inequities around pay and benefits.

The transformation of young people into a “second class” of workers raises a major issue of age-based discrimination. As with most intergenerational equity issues, the problem is that it is very difficult for a younger generation to have a voice in setting the social and economic policies under which they will be governed when such concessions are being sought at the bargaining table before they even enter the workplace.

Introducing two-tier wages and benefits is also a means of dividing young workers from old. Employers hope to instigate animosity within young workers towards the pensions and benefits of senior employees. They hope that these new, low-wage, workers will become disillusioned with their unions and will no longer see their senior co-workers as setting the standard, but as having benefits the new generation of employees can never aspire to have.⁶⁵

Standing together across generations of workers is, indeed, the only way to challenge concessions of any type.

⁶⁵ Mac Neil. (2012).

Security in Retirement

Seniors' incomes are comprised of Old Age Security (OAS), the Canada Pension Plan (CPP), employer pensions and private savings. While pensions may be the furthest thing from the minds of most young people starting a career, decisions being made today will threaten the retirement security of their generation.

At many bargaining tables, employers in the public and private sectors are looking to replace secure "defined-benefits" pension plans with market-driven "defined-contribution" plans. However, in many cases, these changes will apply specifically to new hires. Meanwhile, the Harper government has introduced deep cuts to OAS benefits that will delay eligibility from age 65 to 67.

41.9 Percentage growth in poverty among Ontario seniors, compared to the national growth rate of 25 percent.

\$508.35 Average monthly OAS pension pay out.⁶⁶

\$25,000 Annual income of 2/3 of elderly Canadians, compared to the average Canadian wage of \$47,200.⁶⁷

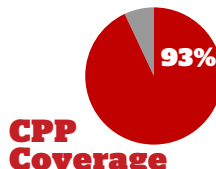
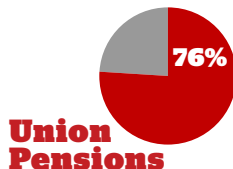
\$223,517 Prime Minister Harper's eligible pension by 2015.⁶⁸

4.7m Number of OAS recipients in 2010.

9.3m Number of OAS recipients anticipated in 2030.⁶⁹

93 Percentage of Canadian workers eligible for CPP.

The Canadian Labour Congress is proposing a gradual doubling of CPP benefits through a modest increase in contributions. Given that one third of Canadian workers have no personal retirement savings, an expansion of the CPP is the best way to protect nearly the entire labour force.



⁶⁶ Government of Canada. (2012).

⁶⁷ Statistics Canada. (2012).

⁶⁸ Toronto Star. (2012).

⁶⁹ Parliamentary Budget Officer. (2012).



Declining Participation in Democracy

Young Canadians care about what is happening in their communities and around the world. In the past year, we have seen hundreds of thousands of Canadian youth join protests and demonstrations like Occupy, environmental actions and student marches in Québec and elsewhere. This clear interest in public policy through direct action is often seen by youth as more likely to have an impact than voting or joining a political party.

38.8 Percentage of eligible Canadian youth who cast a ballot in the May 2011 Federal Election (up only marginally from 37.4 percent in 2008).⁷⁰

30 Percentage of members of a new cohort who vote in the first election in which they are eligible to participate. Down from 70 percent in 1960.⁷¹

100+ Number of days Québec students took to the streets by the hundreds of thousands to protest tuition fee increases, inequality and suppressed rights.

58 Percentage of young people, between 15 and 24 years old, who volunteer, as compared to the national average of 47 percent.⁷²

341m Number of volunteer hours performed last year by Canadian youth.

The problem for formal democratic institutions is that youth who don't vote when they first become eligible are likely to stay unengaged throughout their lives. However, while today's youth often feel disconnected, disempowered and disengaged from formal institutions, they are motivated to try to change their world through looser networks that are replacing structured organizations. And the evidence suggests that when youth are involved in petitions, boycotts and protests, their voting behaviour actually improves, which is a positive sign for Canadian democracy.

⁷⁰ Elections Canada Online. (2011). Youth voting data not available provincially.

⁷¹ Blais & Loewen. (2011)

⁷² Statistics Canada. (2012, March). pp.27.

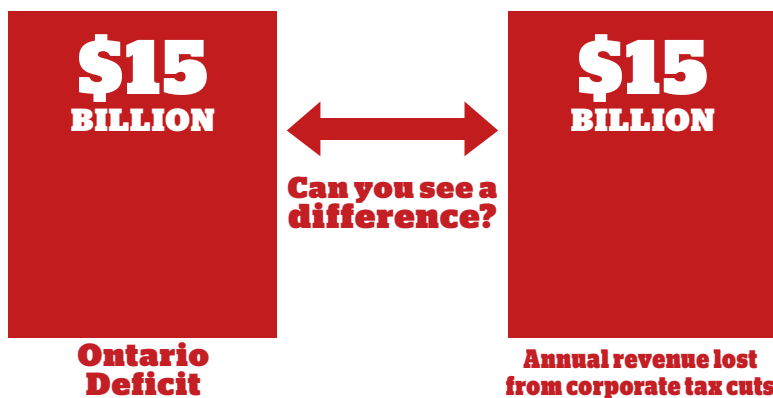
Passion, Activism & Solidarity Can Change the World

As tomorrow's workers, today's youth and students will inherit many obstacles that are being erected through regressive public policy under the guise of responsible fiscal management in the post-recession era. However, the economic collapse of 2008 and the languishing recovery in the years since was not caused by the seniors, workers or their children – all of whom are being asked to shoulder the burden of Austerity cuts.

In fact, a decade of generous tax cuts for the banks and corporate CEOs who created the financial crisis is draining Ontario's public coffers by \$15 billion a year – the estimated amount of Ontario's total current budget deficit.

The good news is that youth and students are inspiring every generation, through passionate activism, to challenge inequality and to strive for a better world. But the challenge remains for the labour movement to engage the young workers within its membership and to reach out to young workers who find themselves in precarious workplaces that lack union representation.

Through a united response to the Austerity cuts to jobs and services, workers must build new alliances with the community to protect the gains made by past generations and secure a fair and equitable future for all workers and their families.



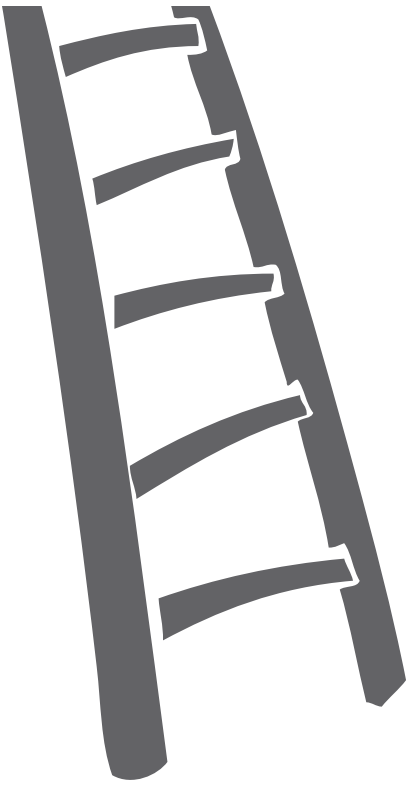
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