

Key Messages

KOW Release- Final Release of Reports

Sound bite

"Today the Keep Ontario Working Coalition released CANCEA's final economic impact analysis on Bill 148 and also published a report showcasing testimonials from employers on how they will be impacted by the legislation. Looking at both reports, while the Government is correct to say that there will be a stimulus from Bill 148, it will hardly cover the \$23 billion cost challenge to business in the first two years – a substantial amount that poses great risk to our economy and cannot be resolved through offsets alone. We recommend the government slow down implementation of Bill 148, conduct their own economic analysis and make appropriate amendments to avoid unintended consequences on Ontario's most vulnerable."

Main Messaging

- Today the Keep Ontario Working Coalition released CANCEA's final economic impact analysis on Bill 148 and also published a report showcasing testimonials from employers on how they will be impacted by the legislation.
- The final analysis from CANCEA, which was peer-reviewed by Professor Morley Gunderson of the University of Toronto who found the results as one would expect, indicates if Government were to do nothing other than implement the minimum wage increase over five years instead of in the next 15 months, jobs at risk would decrease by 74 per cent in the first two years.
- According to CANCEA's analysis, the proposed changes will also see \$11 billion more wages flow into the economy in the next two years, but business, consumers and people who have lost their jobs will bear the brunt of the \$23 billion in new costs, which leaves them on the hook for \$12 billion. At this time, we simply don't feel reassured that the Government has appropriate plans to combat this multi-billion dollar problem before them.
- The analysis' conclusions are clear, despite the Government's goal to help Ontario's most vulnerable, there is more risk than reward for Ontarians. We continue to call on the Government of Ontario to slow down implementation, conduct their own economic impact analysis and make significant amendments to avoid unintended consequences on Ontario's most vulnerable."
- Along with CANCEA's report, the Coalition also released *The Flip Side of Fair: Adding Up Bill 148's Unintended Consequences*, a report that gives a voice to local business owners from across Ontario on how Bill 148 will impact them. The report showcases testimonials, which all share a similar sentiment - that the minimum wage increase and labour reforms will have serious consequences for their business, and jeopardize their businesses ability to survive.

Supplementary Messaging

CANCEA Final Economic Report:

- The final analysis from CANCEA, which was peer-reviewed by Professor Morley Gunderson of the University of Toronto, revealed alarming results for Ontario business if the legislation is passed as is.

- The final analysis from CANCEA, which was peer-reviewed by Professor Morley Gunderson of the University of Toronto, indicates that if Government were to implement the minimum wage increase over five years, jobs at risk will decrease by 74 per cent in the first two years.
- According to CANCEA's analysis, the proposed changes will also see \$11 billion more wages flow into the economy in the next two years, while business are hit with a \$23 billion cost challenge, which leaves employers, consumers and those that have lost their jobs on the hook for \$12 billion. At this time, we simply don't feel reassured that the Government has appropriate plans to combat this multi-billion dollar problem before them.
- CANCEA's report also concluded:
 - 60% of Ontario industries and small to medium sized businesses will need to increase wages for 60% of their staff
 - 1.8 million Ontarians are expected to be negatively impacted by negatives impacts by way of family member, SME business owner or job loss
 - 10.4 million Ontario's will be negatively impacted by price increases to the tune of \$6.8 billion over two years

Flipside of Fair

- Today the Keep Ontario Working (KOW) coalition released *The Flip Side of "Fair": Adding Up Bill 148's Unintended Consequences*, a report that gives a voice to those businesses who have felt excluded from the committee process and policy discussion around this legislation. The testimonials all share a common theme, that the minimum wage increase and labour reforms will have serious consequences for their business and their communities.
- Over the past year, the KOW coalition has received hundreds of letters from Ontario business owners from across the province, expressing concern about their ability to continue to do business in Ontario with the hike in minimum wage and incoming labour reforms.
- Business have told us Bill 148 will make it extremely to increase staff numbers and frankly stay competitive.

Example quotes:

"We pride ourselves on good service, Bill 148 will impact our ability to hire more staff...The logistics of increasing everyone's wage by 22% is impossible. We will need to increase our rates by 14-18%, possibly more." – Dagmar Ski Resort, Durham Region

"With the incoming legislation, for us, investing further in small business in Ontario is now a non-starter. We are trying to navigate through what the next 12 months may look like and are already making plans to reduce our employees to stay competitive to our customers and relevant to our good employees....and pay the bank loans so we do not lose our home." Jiffy Lube Owner, Peterborough

"This Bill is forcing businesses to automate where possible, reduce labour/staffing, absorb part of the costs, and pass along a price increase to the customers (consumers) where possible. ...The very people that you are purporting to help are the ones who are going to be hurt the most. This will be the inexperienced and/or unskilled in Ontario. As these jobs disappear, they will be pushed onto social assistance... and will remain in poverty."

- Guenther Huettlin, President and Owner at GH Manufacturing, Belleville, Ontario