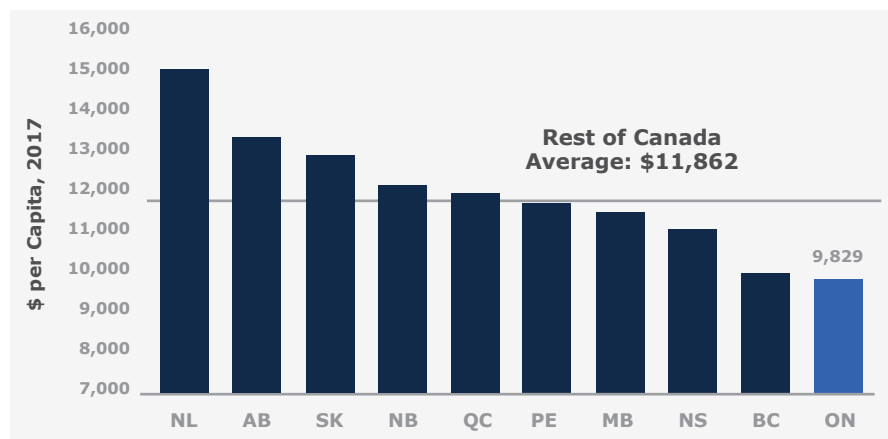


## ...about Ontario's fiscal reality

Former Minister of Finance Vic Fedeli said Ontario is facing a “fiscal crisis” because of past “reckless spending.” The government’s goal is to cut at least four per cent of the provincial budget, including \$1 billion from education, while freezing education spending over the next four years.

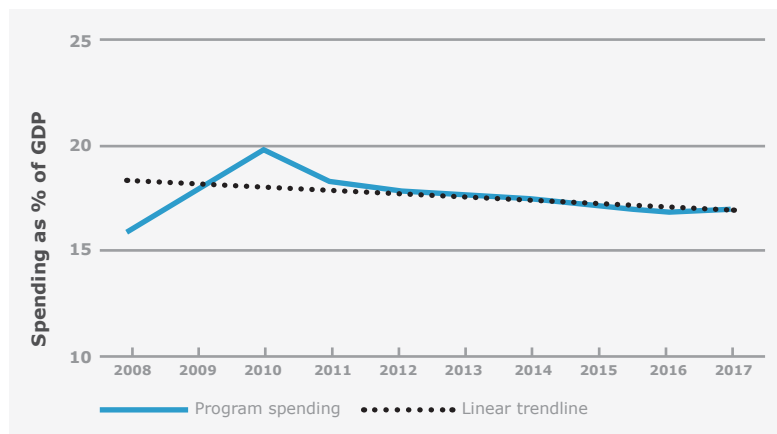
But the government’s approach is based on ideology, not reality.

The truth is that **Ontario is one of the lowest spenders per capita on government programs of any province.** Even education spending, which has increased over the past 15 years, is still only in line with the national average.



Source: Financial Accountability Office of Ontario

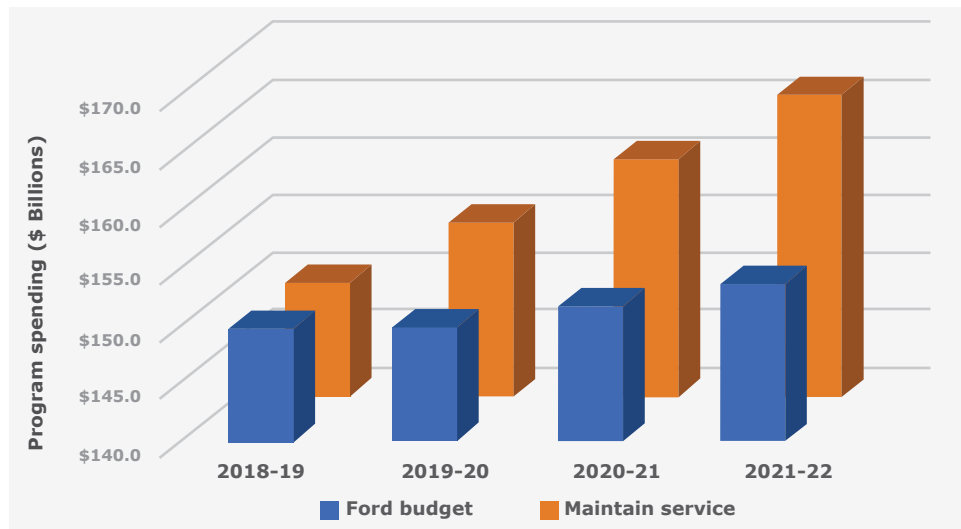
There was an increase in spending in response to the 2008 recession. However, since then, **provincial spending as a proportion of GDP (a key measure of economic activity) has declined.** In other words, increases in spending over the past decade have been modest and sustainable. Furthermore, **debt servicing as a percentage of revenue is almost half what it was in 1999.**



Source: Canadian Centre for Policy Alternatives – Ontario Office

# KNOW MORE

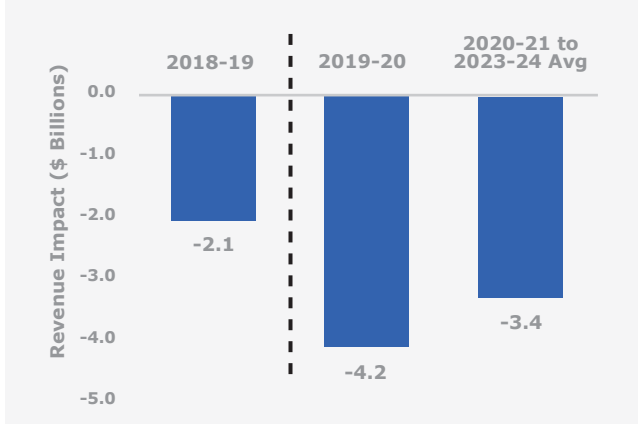
By investing in vital services such as publicly funded education, which pay enormous long-term dividends, the government can work toward the goal of balancing the budget while still responding to the needs of Ontarians. Unfortunately, the Ford government has made a conscious choice to go in the wrong direction. Economists have calculated that in order to maintain the same level of services as when they took office (accounting for price inflation and population growth), the government would need to increase spending on programs by 3.5 per cent per year. Instead, the 2019 budget increases program spending by an average of 0.8 per cent per year over the next three years.



Source: Canadian Centre for Policy Alternatives – Ontario Office

The real cause of the provincial deficit is a lack of revenue. As a result of personal and corporate tax cuts implemented since the 1990s, **the government simply does not take in enough money to fund the programs and services we all depend on.** And the Ford government has promised to make the problem worse! Through a variety of tax cuts, as well as the cancellation of Ontario's cap-and-trade program, they plan to give up billions of dollars per year.

## Lower revenues due to announced policy changes since the 2018 Budget



Source: Financial Accountability Office of Ontario

All Ontarians agree that we should make efficient and effective use of public resources. But the government's fixation on cutting spending while reducing taxation is short-sighted and counterproductive.

A balanced approach to deficit reduction would consider both spending and revenues, and ask all Ontarians to pay their fair share.

Go to [KnowMore.ca](https://knowmore.ca) to send a message to your MPP and tell them to stop the cuts to publicly funded education.