

NewsRelease



Public Service Alliance of Canada | Representing 160,000 workers

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New study confirms that public services are the best deal for Canadians

OTTAWA – The Public Service Alliance of Canada is thrilled with the results of a new study proving that public services make a significant contribution to Canadians' standard of living – worth at least 50 per cent of their income.

The study, released today by the Canadian Centre for Policy Alternatives, thoroughly debunks the notion that tax cuts put money in people's pockets. In fact, authors Hugh Mackenzie and Richard Shillington prove that tax cuts actually take money away from most workers and would be better spent by investing in public services for Canadians.

"Quality public services improve Canadians' lives in so many immeasurable ways. But this new study demonstrates the fact that middle-income Canadian families benefit from public services that are worth about \$41,000 per year – or 63 per cent of their income," says John Gordon, PSAC's National President.

"Even households earning \$80,000 to \$90,000 per year enjoy public services that represent half of their income. There is no doubt that the services that PSAC members provide improve the quality of Canadians' lives and communities," says Gordon.

PSAC represents more than 160,000 members across Canada, including 130,000 federal public sector workers. In uncertain economic times, Canadians look to PSAC members, who are on the front lines, helping people access Employment Insurance and making sure that seniors receive their pension cheques.

The study, titled *Canada's Quiet Bargain: The Benefits of Public Spending*, shows that 80 per cent of Canadians are worse off since the Harper government cut the GST and 75 per cent would be better off if their provincial government had invested in public services instead of tax cuts.

"The Conservative government missed the opportunity to make real changes to the Employment Insurance system and to invest in social infrastructure such as universal child care as part of the 2009 federal budget," says Gordon. "Stephen Harper chose ideologically-minded tax cuts over public spending. And this study proves that we would all be much better off if the federal government had provided real support to Canadians by investing in quality public services."

To read the study, *Canada's Quiet Bargain: The Benefits of Public Spending*, visit policyalternatives.ca.

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