



INSTITUT C.D. HOWE INSTITUTE

Quarterly Report to Members, Subscribers and Friends

Second Quarter, 2014

Essential Policy Intelligence / Conseils indispensables sur les politiques

Q2 highlights: effective and efficient policy research & outreach

Q2 research

- ❖ 13 research papers
- ❖ 2 Monetary Policy Council releases

Q2 policy events

- ❖ 21 policy events and special meetings, including:
 - ❖ Conferences on Financial Regulation and Housing featuring Lawrence Schembri, Deputy Governor, Bank of Canada, and Mark Zelmer, Deputy Superintendent, Office of the Superintendent of Financial Institutions, respectively

Policy Outreach in Q2

- ❖ 105,407 website pageviews in Q2 2014, up 21.5% from 86,722 pageviews in Q2 2013
- ❖ 17 policy outreach presentations – including one to the federal parliamentary committee on International Trade
- ❖ 166 *National Post* and *Globe and Mail* citations
- ❖ Citations in more than 70 media outlets
- ❖ 34 media interviews
- ❖ 17 opinion and editorial pieces



THE VANCOUVER SUN
A DIVISION OF POSTMEDIA NETWORK INC.
BREAKING NEWS | VANCOUVERSUN.COM SERIOUSLY WESTCOAST SINCE 1912 THURSDAY, JUNE 5, 2014 | FINAL EDITION

B.C. teachers to vote on full strike

Tensions mount in labour dispute after lockout, pay cuts ruled legal tactics

THERRY SHERLOCK
VANCOUVER

Teachers across the province could be on a full-scale strike within the next two weeks, their leader said Wednesday after the Labour Relations Board ruled a 10-per-cent pay cut would stand.

Education Minister Peter Fassbender said he is disappointed with the announcement, but that he still wants a negotiated settlement by the end of June.

"A full strike is only going to keep more students out of their classrooms, create more disruption for parents while teachers and support workers caught in the middle will lose even more in wages. There is no bottomless pit of money and the rotating strikes are certainly not going to help teachers and support workers' wallets," Fassbender said in a statement. "We want this solved before the start of a new school year and BCPSA is prepared to bargain 24/7, right through the summer."

PETE M. MARTIN, SPECIAL KIND OF COMPROMISE NEEDED IN VANCOUVER POLICE STRIKE
LIBERAL STRATEGY INTACT | B6

CONTINUED ON A15

A PERFECT FINANCIAL STORM



Lorraine Logan, 69, is worried she will have to deplete her pension funds too soon because of current federal rules.

JERRY LEE AND PETER ONELL
VANCOUVER

B.C. senior Lorraine Logan, 69, is among those worried that existing federal retirement savings withdrawal rules will force retirees to deplete their pension funds too soon. Her fear is echoed by a national think tank that called Wednesday for reforms to the "outdated" rules for minimum withdrawals that it says could leave seniors like Logan at risk of outliving their savings.

Rules instituted in 1992 require seniors to withdraw about seven per cent of their entire Registered Retirement Income Fund at age 71, with that figure slowly rising to about double that percentage over 20 years. After age 91, the required percentage rises sharply until it reaches 20 per cent for those 94 and older.

"Now you've got people working longer and retiring when they are 70 and all of a sudden 71, you've got to put it in a RRIF and you must take money out," Logan said, adding that many seniors took a hit with their personal investments in 2008 and have had to extend their work lives.

"I'll live to my grandma's age of 104, I'm going to be on welfare. I do think this needs another look."

The Income Tax Act requires RRSF holders to convert their savings into either an annuity, purchased through insurance companies, or a RRIF. Both result in regular payments expected to last until death.

In 1992, Ottawa was dealing with a debt crisis and looking for ways to keep tax revenues flowing, the C.D. Howe Institute report noted.

The federal government was deficit-ridden and hungry for cash, according to the study. "Now it is close to surplus, and the timing of receipt of those taxes matters less to the government."

Today's longer lifespans and diminished rates of return on fixed-income investments have dramatically changed the landscape. For Canadians who have or are about to convert their Registered Retirement Savings Plan nest egg into a RRIF, the minimum withdrawal rules pose a threat, the authors argued.

CONTINUED ON A15

Bad federal policy means many seniors will outlive their savings

Don Cayo

These are, thanks to a perverse federal policy, the stark choices facing many Canadian seniors who are on track to spend age.

The problem, as spelled out in a C.D. Howe Institute study, is that mandatory withdrawals of what prudently invested money can ever be expected to earn.

The analysis is new and adds welcome rigor to the case for a policy change, but the problem is long-standing and well understood by those involved in retirement planning. The only thing hard to understand is why that's obviously aware of shortcomings in Canadian's retirement readiness in this era of aging demographics, longer life expectancies and low returns on investment.

addressed by a government that's obviously aware of shortcomings in Canadian's retirement readiness in this era of aging demographics, longer life expectancies and low returns on investment.

CONTINUED ON A12

The Institute's paper on Registered Retirement Income Funds was cited in seven of the nation's ten most widely circulated newspapers and received substantial television coverage.

Government consults on a framework for Target Benefit Plans for Crown corporations and federally regulated workers

- ❖ The Institute's 2013 Shadow Budget proposed legislation permitting Crowns' pension plans to convert their benefits to target benefits
- ❖ Report: "[Prudence and Opportunity: A Shadow Federal Budget for 2013](#)"
- ❖ Institute op-eds sounding the alarm over ballooning pension liabilities include "Ottawa must rein in its soaring pension costs" ([Globe & Mail](#)) and "Alberta's pension evolution is a step in the right direction" ([Globe & Mail](#))

Government reforms elements of Temporary Foreign Workers Program

- ❖ An Institute report argued for a cap on TFW entries, the collection of better information on labour vacancies and supply, and that the TFW fee be raised, providing firms with more incentive to hire domestic workers
- ❖ Report: "[Temporary Foreign Workers in Canada: Are They Really Filling Labour Shortages?](#)"
- ❖ Op-eds that discussed ways to improve the TFWP program include "Where are the labour shortages? If only we knew" ([Globe and Mail](#)) and "Why Ottawa's temporary foreign worker policy isn't all that bad" ([Financial Post](#))

CMHC sets maximum prices, amortization and debt ratios for low-ratio transactional mortgages and discontinues insurance for multi-unit condo construction

- ❖ An Institute report strongly recommended that CMHC limit growth in its mortgage insurance book to insulate taxpayers against risks
- ❖ Report: "[What Governments Should Do in Mortgage Markets](#)"
- ❖ Op-eds: "Rickety housing markets" ([Financial Post](#)) and "Taxpayer-lite housing finance change coming to Canada" ([Financial Post](#))

1. [Evaluating Public-Sector Pensions: Are Federal Public Servants Overpaid?](#) - April 2, 2014 – Malcolm Hamilton
2. [Ottawa's Hidden Deficit: The Widening Gap between Federal Government Pension Liabilities and Assets](#) - April 9, 2014 – William B.P. Robson and Alexandre Laurin
3. [The Impact of Diplomatic Representation Abroad on Canada's Exports](#) - April 16, 2014 – Dan Ciuriak
4. [Temporary Foreign Workers in Canada: Are They Really Filling Labour Shortages?](#) - April 24th, 2014 – Dominique M. Gross
5. [Are We Making Progress? New Evidence on Aboriginal Education Outcomes in Provincial and Reserve Schools](#) - April 30, 2014 – John Richards
6. [Sticker Shock: The Causes of the Canada-US Price Differential](#) - May 6, 2014 – Nicholas Li
7. [Cross-Border Price Regulation: Anti-Competition Policy?](#) - May 8, 2014 – Report of the C.D. Howe Institute Competition Policy Council
8. [Don't Forget the Kids: How Immigrant Policy Can Help Immigrants' Children](#) - May 14, 2014 – Colin Busby and Miles Corak
9. [The Case of the Vanishing Quebec Physicians: How to Improve Access to Care](#) - May 27, 2014 – Claude E. Forget
 1. [L'affaire des médecins disparus du Québec : comment améliorer l'accès aux soins](#) - 27 mai, 2014 – Claude E. Forget
10. [Outliving Our Savings: Registered Retirement Income Funds Rules Need a Big Update](#) - June 4, 2014 – Alexandre Laurin and William B.P. Robson
11. [Warning Signs for Canadian Educators: The Bad News in Canada's PISA Results](#) - June 11, 2014 – John Richards
12. [What Policies Work? Addressing the Concerns Raised by Canada's PISA Results](#) - June 18, 2014 – John Richards
13. [The Public Purse versus Private Wallets: Comparing Provincial Approaches to Investing in Economic Growth](#) - June 25, 2014 – Philip Cross

The five most-visited publications on the Institute website in Q2



INSTITUT C.D. HOWE INSTITUTE

1. [Alberta's Best Schools: 2013](#) – David Johnson
2. [Temporary Foreign Workers in Canada: Are They Really Filling Labour Shortages?](#) – Dominique M. Gross
3. [Ontario's Best Public Schools: 2009-2011](#) – David Johnson and Robbie Brydon
4. [Evaluating Public-Sector Pensions: Are Federal Public Servants Overpaid?](#) – Malcolm Hamilton
5. [Sticker Shock: The Causes of the Canada-US Price Differential](#) – Nicholas Li

April

- ❖ [A decade of government overspending has left us over-taxed and deeper in debt: Globe and Mail Op-Ed](#)
- ❖ [Joe Oliver's big challenge: Living with budget surpluses](#)
- ❖ [Sell MintChip and fast!: National Post Op-Ed](#)
- ❖ [Get Ottawa out of health care: National Post Op-Ed](#)
- ❖ [For a fairer and richer society, make the polluters pay: Globe and Mail Op-Ed](#)
- ❖ [Mini or maxi mortgage reforms in store for Canada? Financial Post Op-Ed](#)
- ❖ [Where are the labour shortages? If only we knew: Globe and Mail Op-Ed](#)
- ❖ [Is U.S. violating NAFTA with Keystone delay? Globe and Mail Op-Ed](#)

May

- ❖ [Why the First Nations Education Act deserves broad Parliamentary support: Globe and Mail Op-Ed](#)
- ❖ [Nicholas Li: The best way to lower Canadian prices: Ottawa Citizen Op-Ed](#)
- ❖ [Do student outcomes depend on good teachers? Globe and Mail Op-Ed](#)
- ❖ [Hiking taxes on top earners is a mug's game: Globe and Mail Op-Ed](#)
- ❖ [Ontario's politicians fail voters with pie-in-the-sky economic policies: Globe and Mail Op-Ed](#)
- ❖ [Immigration system shouldn't overlook children: Calgary Herald Op-Ed](#)

June

- ❖ [For Canada, a strong economy and healthy environment can co-exist: Globe and Mail Op-Ed](#)
- ❖ [How to increase Quebecers' access to family doctors: Montreal Gazette Op-Ed](#)
- ❖ [Testing the limits of a public-sector economy: Globe and Mail Op-Ed](#)

1. [David Marshall, President and Chief Executive Officer, Workplace Safety and Insurance Board:](#) April 1, 2014 – Toronto Roundtable Event – *The WSIB: An Historic Transformation*
2. [Conference on Financial Regulation: Impact on Competitiveness, Competition, and Consumers:](#) April 3, 2014 – Special Policy Conference – *Financial Regulation: Impact on Competitiveness, Competition, and Consumers*
3. [Gérald Cossette, Director, Financial Transactions and Reports Analysis Centre of Canada \(FINTRAC\):](#) April 9, 2014 – Toronto Roundtable Event – *Money Laundering and Terrorist Financing: What's at Stake and How Are We Responding?*
4. [Linda Hasenfratz, Chief Executive Officer, Linamar Corporation:](#) April 9, 2014 – Executive Briefing: Policy Presentation and Reception – Ottawa – *Canadian Manufacturing Competitiveness and The Role of Government*
5. [Wayne Wouters, Clerk of the Privy Council and Secretary to the Cabinet:](#) April 11, 2014 – Toronto Roundtable Event – *Canada's Economic Competitiveness: The Challenges Ahead*
6. [Claude Mongeau, President and CEO, Canadian National Railway:](#) April 16, 2014 – Toronto Roundtable Event – *An Inside View of Railway Economic Regulation in Canada*
7. [Andrew Kriegler, Deputy Superintendent, Supervision Sector, OSFI:](#) April 24, 2014 – Toronto Roundtable Event – *Supervisory Proportionality*
8. [Richard Alvarez, Canada Health Infoway; Edward Brown, Ontario Telemedicine Network; Robert Bell, UHN:](#) April 28, 2014 – *Manulife Healthcare Policy Roundtable Series Feature Event – Navigating the Healthcare System: The Patient's Perspective*

1. [The Hon. Kevin Sorenson, Minister of State \(Finance\)](#): May 5, 2014 – Toronto Roundtable Event – *Targeted Action to Keep Your Pension and Economy Strong*
2. [Dennis DesRosiers, President, DesRosiers Automotive Consultants Inc.](#): May 13, 2014 – Toronto Roundtable Event – *Looking Forward: Challenges Ahead for the Canadian Automotive Manufacturing Sector*
3. [Kelly Peters, Benoît Robidoux, Dilip Soman](#): May 15, 2014 – Annual Scholars’ Dinner – *Behavioural Economics: Nudging Towards a New Way to Think about Policy*
4. [David Jacobson, BMO Financial Group, and John Weekes, Bennett Jones LLP](#): May 21, 2014 – Toronto Roundtable Event – *Renewing the Vision of NAFTA*
5. [Leo de Bever, AIMCo.; Ron Mock, OTPP](#): May 22, 2014 – Annual Directors’ Dinner – *Value-Creation in 21st Century Businesses: The Long-Term Investor’s Perspective*
6. [Kathleen Taylor, Chair of the Board, Royal Bank of Canada](#): May 30, 2014 – Toronto Roundtable Event – *Exporting Canadian Goods, Services and Culture*



1. [Mark Chauvin, TD; Stephen Hart, Scotiabank; Rahim Hirji, Manulife Financial](#): June 2, 2014 – Patrons' Circle Dinner with Chief Risk Officers – *Calm After the Storm? 2014's Risk Assessment*
2. [Al Monaco, President and CEO, Enbridge](#): June 4, 2014 – Calgary Roundtable Event – *Meeting the Challenges of Developing Energy Infrastructure*
3. [Henri-Paul Rousseau, Vice-président du conseil/Vice-Chairman, Power Corporation du Canada/of Canada](#): Le 5 juin 2014 (June 5, 2014) – Table ronde sur les politiques, Montréal (Montreal Roundtable Event) – *Les pièges des pays riches: les défis de soutenir la prospérité (High Income Traps: The Challenge of Delivering Ongoing Prosperity)*
4. [Ed Devlin, Managing Director, Head of Canadian Portfolio Management, PIMCO](#): June 6, 2014 – Toronto Roundtable Event – *PIMCO's Secular 'New Neutral' and the Implications for Canada*
5. [Michèle Bourque, President and CEO, Canada Deposit Insurance Corporation](#): June 9, 2014 – Toronto Roundtable Event – *CDIC's New Role as Canada's Resolution Authority*
6. [Naheed Nenshi, Mayor of Calgary](#): June 18, 2014 – Calgary Roundtable Event – *Building a prosperous city for every Calgarian*
7. [Housing Policy Conference](#): June 26, 2014 – Housing Policy Conference – Toronto – *Housing Markets and Policy: Steady as She Goes, or Headed for a Fall?*

The C.D. Howe Institute was cited in Canada's 25 most widely circulated newspapers during Q2.

National/International

Bloomberg
Business News Network
Canadian Press
CBC News Now – Lang & O'Leary
Exchange
CBC Radio International
CTV News
CTV's Power Play
The Economist
Energy Monitor Worldwide
Financial Post
Globe and Mail
Global National
India Public Sector News
India Retail News
La Presse Canadienne
National Post
OMNI TV
Radio Canada
Secret China
Tampa Bay Times
Wall Street Journal
Yahoo News Canada
1310 Radio

Atlantic Canada

Chronicle Herald
Telegraph Journal
Todd Veinotte Show

Quebec

Le Devoir
Le Journal de Montréal
Le Journal de Québec
La Presse
Le Huffington Post
Montreal Gazette

Ontario

Barrie Examiner
CFRA Ottawa
Guelph Mercury
Hamilton Spectator
London Free Press
Ottawa Citizen
Ottawa Sun
Sudbury Star
Toronto Star
Toronto Sun
Waterloo Region Record

Windsor Star
24 Hours

Western Canada

Calgary Herald
Calgary Sun
Edmonton Journal
Edmonton Sun
CKNW BC
CBC Vancouver
News Talk 770
Regina Leader Post
Saskatoon Star Phoenix
Vancouver Province
Vancouver Sun
Victoria Times Colonist
Winnipeg Free Press
Winnipeg Sun Edmonton
630 Ched Edmonton

1. *Colin Busby* presented at the **Ontario Long-term Care Association Annual Conference** - April 4, 2014, Toronto
2. *Bill Robson* presented to **Spencer Stuart Partners** on the general state of the economy and the implications of the Quebec election - April 4, 2014, Toronto
3. *Bill Robson* presented at BMO's **CRO Emerging Risk Dinner** - April 8, 2014, Toronto
4. *Bill Robson* presented at the **CIGI-Institute for New Economic Thinking Annual Conference** - April 11, 2014, Toronto
5. *Bill Robson* participated at **Benefits Canada Pension Reform Panel** - “Exploring New Solutions” - April 28, 2014, Toronto
6. *Daniel Schwanen* testified before the **Commons Standing Committee on International Trade** to discuss the Global Markets Action Plan (GMAP) - May 6, 2014, Ottawa
7. *Benjamin Dachis* moderated a **Wilfrid Laurier University** conference session on “Airport Security and Risk-Based Assessment” - May 8, 2014, Toronto
8. *Finn Poschmann* spoke at the **Bloomberg Canada Economic Summit** – “Session Outlook for Canadian Manufacturing” - May 13, 2014, Toronto
9. *Finn Poschmann* presented at the **Brookfield RPS 2014 Property Summit** - May 28, 2014, Toronto
10. *Colin Busby* presented “The Coming Demographic Tsunami or Glacier?” at the **World Taxpayers Conference** - May 30, 2014, Vancouver



11. *Benjamin Dachis* gave a presentation to the **Firm Level Productivity Network at the Canadian Economics Association** on “Assessing the Tax Barriers to Small Firm Growth in Canada” - May, 30, 2014, Vancouver
12. *Benjamin Dachis* hosted and moderated a session at the **Canadian Economics Association** on “Energy and Natural Resource Policy” - May 31, 2014, Vancouver
13. *Bill Robson* participated on **thePANEL** to discuss economic diplomacy - June 3, 2014, Ottawa
14. *Finn Poschmann* delivered a keynote speech entitled “Canadian Policymaking and the Role and Relationship of Thinktanks and Governments” to senior Chinese government and central bank officials at the **Rotman School of Management** - June 18, 2014, Toronto
15. *Bill Robson* lectured at the **University of Waterloo** on impact of population age structure on asset values and deflation - June 23, 2014, Waterloo
16. *Bill Robson* spoke at the **2014 Skills Summit** on how governments and other actors can collaborate to provide more timely and relevant labour market information - June 25, 2014, Toronto
17. *Finn Poschmann* gave a briefing to **KPMG** partners on Ontario growth prospects - June 25, 2014, Toronto

Major Event Sponsors



Your lawyer. Your law firm. Your business advisor.
www.bennettjones.com



Wendy Dobson



Roundtable Sponsors



RBC Capital Markets



Thank you for your support!



INSTITUT C.D. HOWE INSTITUTE

- Member and subscriber support lets the Institute mobilize outstanding scholars, push innovative ideas and foster sharper, smarter responses to current and future challenges.
- Annual memberships and subscriptions are the backbone of the revenue that makes our work possible.
- Gifts and sponsorships bolster our research and dissemination in specific areas. Complementing memberships and subscriptions, they enable us to recruit scholars and develop programs oriented toward solutions to particular policy challenges.
- Our supporters include individuals and organizations in every region of the country and every economic sector.



- The C.D. Howe Institute is a national, nonpartisan, nonprofit organization that aims to improve Canadians' standard of living by fostering sound economic and social policy.
- It is Canada's most trusted source of essential policy intelligence: its rigorously refereed work is evidence-based, timely, constructive, and authoritative.
- It has an established public policy track record: its work helped lay the foundation for such key initiatives as continental free trade, inflation control, balanced budgets, more sustainable pensions, lower tax rates, and immigration reform.
- The Institute's nationwide activities include regular policy roundtables and presentations by policy staff in major centres, as well as before parliamentary committees.
- The Institute's individual and corporate supporters are drawn from business, universities, the public service and the professions across Canada.
- The Chairman of the Institute is [Hugh MacKinnon](#), Chairman & CEO of Bennett Jones; [William B.P. Robson](#) is President & CEO.
- For more information about the Institute, please visit its website: www.cdhowe.org