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Chair

Mr. Ed Komarnicki

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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•(1105)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): I'll call the meeting to order. We do have a quorum.

Rodger Cuzner isn't here. I would like to have had him here.

I think there is consensus that we will deal with the centennial flame applications and award. For that we will have to go in camera, which means that we'll ask the witnesses, Mr. Gray and Mr. Finnie, to leave momentarily while we deal with that committee business. Also, we'll make sure that Sara Mayo will not be able to hear us in camera. Once we have that assurance, we will discuss the centennial flame awards.

I'll ask that we go in camera, if we could, and then let me know when that's done.

[Proceedings continue in camera]

•(1100)

(Pause)

•(1105)

[Public proceedings resume]

The Chair: I call the meeting back to order.

We thank you, Mr. Finnie and Mr. Gray, for your indulgence in allowing us to deal with some important committee business.

We will hear presentations from both of you, as well as from Sara Mayo by video conference. I'm not sure she is connected yet.

I should advise that there's a possibility there will be bells for a vote. We will have to interrupt the meeting when they ring. Hopefully, we'll get through your presentations and a few questions and answers.

We have a second panel. If the vote should take place after 12 o'clock, it would be my intention not to reconvene the meeting again, but conclude with how far we have gone.

If the House is still sitting on Thursday, we would conclude with some instructions on the report. If we're able to squeeze that in today, we'll do that as well. We'll play that by ear.

I see, Sara, you're connected. Can you hear me all right?

•(1110)

Ms. Sara Mayo (Social Planner, Social Planning and Research Council of Hamilton): Yes. Can you hear me?

The Chair: Yes. Excellent.

If anyone needs translation, you will need to have your earpieces on at the appropriate channel.

I see Mr. Cuzner has arrived, so we're pretty much good to go.

We'll start with Mr. Finnie. Go ahead, please.

Professor Ross Finnie (Professor, Graduate School of Public and International Affairs, University of Ottawa, As an Individual): Sure.

Thank you very much. Do I have about ten minutes?

The Chair: Seven is preferable.

Prof. Ross Finnie: Thank you very much.

First of all, it's a delight to be here. I think these issues are hugely important to the future well-being of the country and its economic prosperity, both in terms of the macro economy and also in terms of individual well-being.

I think I'm invited here today because I've worked on retirement incomes in particular. Some of my work has been with David, so I'm not sure what David is going to say, but I'll be referring to some of that work.

Dr. David Gray (Professor of Economics, University of Ottawa, As an Individual): You'd better not steal all my lines.

Prof. Ross Finnie: Be quiet, this is my time.

Voices: Oh, oh!

Prof. Ross Finnie: We've known each other a long time.

There are basically two points I want to make. The first one is very short and in passing. It's about mandatory retirement. It's a classic case for economists. Mandatory retirement has certain properties, and when you mess with it, you wind up messing with other things.

University professors are excellent examples. When we used to have mandatory retirement—even we get old and dodderly—you knew that at age 65 professors would be out of there and you could replace them. Their very high salaries would no longer be paid. You could then hire two good young ones to replace them. That is no longer the case. That is to say, there are efficiency wages. It's not just a question of justice—although I respect that—for people's ages and their capacities and our need for older workers; it's just that it's a very complex issue, and I urge you to take that into consideration.

The next point I want to make—and this will be the remainder of my comments—is about savings. My work with David has shown, for example, that for GIS recipients in particular, one of the critical factors—there are a number—is certainly that we are able to track people over their life cycles, their lives. Certainly the income level in their prime working years, obviously, is very important. If you have higher incomes when you're 50 or 52, you're less likely to be on GIS.

The other factor, independent of that, was whether or not you had various savings mechanisms. Those savings mechanisms could be personal ones in the form of RRSPs, but in particular employer-based pensions. Those are very critical to this poverty status, low-income status, in later years. Savings matter a lot.

I have another parallel set of papers with my colleague Byron Spencer at McMaster University, where we looked at all income sources, so beyond GIS. The importance, again, of savings from earlier ages on later incomes is critical.

This might be obvious, but I don't think it can be emphasized too much. Why is that? Because the policy issue is the decline in these savings mechanisms, in particular employer-based schemes. That's simply a function of the new labour market, the new workforce, the new dynamic economy. People are moving from one job to another. These mechanisms will not exist in the future the way they do today.

So what is going to replace them? At this point there's nothing. There's the RRSP system, but that has huge problems, as you're probably aware, starting with, I might say, the relatively high fees that are charged, which can represent 2% on a return of 3% or 4%—that's a 50% tax rate—and people don't know enough about them. We don't have an effective replacement for these employer-based pension schemes that will work moving into the future, that will reflect the new reality of the workplace for young people in particular.

What I think this country needs is some sort of set of collective savings schemes. It could be CPP, but it doesn't have to be. When I say collective, it doesn't have to be a government-run thing. It can come from the financial institutions themselves. It could be a private market-based savings scheme, but one that has the efficiencies of a broader savings scheme such as the CPP.

Instead of my putting my money in an RRSP, where they scrape off 2% every year, the maintenance, the administrative fees on these broader plans typically are much, much lower, and they can be very adaptive to any individual's given situation.

You have a relatively small amount to contribute. You can choose that and you put it in, but your money stays in that plan. It accumulates, and it's there later.

• (1115)

The Chair: You have two minutes.

Prof. Ross Finnie: Thank you. I'm right on track.

One of the properties of these plans, if properly designed, is that they can also have a lot of the properties of a very flexible plan. Let's say you have been putting this money in all these years, you hit age 65, and 2008 happens all over again. In 2008, those people who were just entering retirement took a massive hit, and that's not fair. That's not right.

These plans can be designed so that if 2008 hits again, they say, okay, we need some adjustments here. Those who contribute will contribute a little more. Those who are taking money out will take some out. In a sense, it becomes an insurance plan, where everyone in the scheme, in the plan, at every point in their lives makes adjustments so that those people don't take that big hit.

The final point is that we don't save efficiently. There is a new area called “behavioural economics”, which is exceedingly important to the future of economics. It shows that people do not save rationally. They do not save the amounts, especially when left on their own, that they want to save. You give them a plan and they mean to save. It's like going to the gym and eating better. We all do it. We understand this, but we never get around to enrolling in that savings scheme that we should and want to.

One of these collective savings schemes can be designed in a way to build in the incentives and the nudges, or the prompts, so that more people will in fact save to the degree they want to save.

The Chair: Thank you. Right on time.

We'll now move to Mr. Gray for a follow-up.

Dr. David Gray: Thank you very much, Mr. Chairman.

Fortunately, there is zero overlap between what I plan to say and what Ross just said, although I certainly don't have any quarrels with anything Ross just said.

I'm going to talk about another area where we've both done a lot of research, and that is on the plight of older displaced workers. We've known for 30 years or so that older displaced workers suffer enormous earnings losses when they have permanently separated from their former employer, especially when they have been there for a long tenure. They suffer very high adjustment costs. Whereas older workers tend to be insulated a lot more than younger workers in the event of layoff, once the layoff hits them, they fare very poorly on the external labour market. Currently, the public policy apparatus, and the labour market itself, often don't give them much of a second chance to be successfully reintegrated into the labour market.

Talking a bit about policy measures, I think the temporary foreign worker program should be scaled back drastically so that temporary workers are hired for temporary jobs only. There may be some situations, like harvesting and agriculture, where it's totally appropriate, but I think in many situations there's no reason why temporary foreign workers should be filling positions at Tim Horton's, for example.

I'm just starting to get into researching the area of adult learning, literacy, and essential skills, but I think that provincial governments and the federal government, which indeed are partners for that type of intervention, should be paying a lot of attention to the development of literacy and essential skills for displaced workers. We do spend a lot on job retraining—skills development, it's called. It's part of EI Part II, and the government is reforming that as we speak.

Unfortunately, the literature from all countries indicates that the retraining benefits of older displaced workers have particularly disappointing results. We might want to be reconsidering other options, other uses for the financing, for the tax dollars we're pouring into EI Part II for perhaps regional mobility grants and wage insurance, which is an alternative use of EI benefits that would be designed to cover someone if they lost a job paying \$25 an hour and gained a job paying, say, \$12 an hour with wage insurance. That \$13 hourly differential would be partly indemnified for maybe a three- or four-year period, hopefully long enough to allow that worker to ascend, eventually, to higher earnings.

As far as EI reform goes, it really hasn't been substantially overhauled since the early 1970s. We have a one-size-fits-all model. I'm not suggesting anything new in this case. This is what the majority of economists have been saying for decades, that we should have more specialized EI benefits geared to different types of unemployed workers.

Am I running out of time?

• (1120)

The Chair: You still have two and a half minutes.

Dr. David Gray: Okay. I also want to put in a good word for the researchers at Statistics Canada and at Human Resources and Skills Development Canada. I have been working with them as an external consultant for about 15 years.

This might be a slight exaggeration, but almost world-class research is going on right here in Ottawa regarding program evaluation on how effective or ineffective certain interventions are. In addition to evaluating government programs, not just job retraining programs and targeted wage subsidies, but a whole slew of social insurance programs, regulations, and interventions.... Not only is very good research being done on the efficacy of public policy, but there is research that has been done—Ross and I have contributed to it in the past—on the itineraries of displaced workers, what happens to people who are displaced or who are at the periphery of the job market.

It's really critical to be able to follow these individuals over time. I confess to having a vested interest here, but I'd like to make a plug for the development and maintenance of a number of data sets that are instrumental in researching how the labour market is operating, who is gaining, who is losing, etc.

The Chair: All right. Thank you very much for that.

We'll conclude the presentations by hearing from Sarah Mayo, a social planner with the Social Planning and Research Council of Hamilton.

Go ahead.

Ms. Sara Mayo: Thank you very much for the invitation to appear.

I'm going to speak on three points: an educational profile of older workers in Hamilton; obstacles faced by older workers in the labour market; and some issues about generational equity.

This presentation draws on reports that the Social Planning and Research Council of Hamilton has published on community conditions in Hamilton, but these trends are common across Canada and are not unique to Hamilton at all.

First, we looked at data on the educational profile of older workers. I am speaking about workers of age 65 to age 74. Census data for 2006 indicates that among older workers, the largest group is those who have no high school education. The second-largest group is those with university education. So the two extremes of the educational scale are the two largest groups of older workers. Workers with less education are more likely to be low income and working because of economic hardship. They would prefer to retire if—

• (1125)

The Chair: Excuse me, Ms. Mayo, the translators are having a bit of difficulty keeping up with you, so if you could slow up, that would be great.

Thank you.

Ms. Sara Mayo: No problem. I will slow down.

I'll just say that again. I'm looking at the educational profile of older workers, workers aged 65 to 74. The 2006 census data indicates that among older workers, the largest group is those with no high school education. The second-largest group is those with university education. Workers with less education are more likely to be low income and working due to economic hardship, who would prefer to retire if they had enough pension and income support. Workers with more education are more likely to report high job satisfaction and have higher incomes, which means they're more likely to be continuing working because they want to. Public policies should encourage the second circumstance; that is to say, it's preferable to have workers who are not in financial hardship but prefer to keep working into their 60s and 70s.

I just spoke about older workers, but if we look at all older adults, including those who are retired, we see another important trend. Among each educational category, older adults with university education are most likely to be working. So 25% of university-educated older adults are employed versus only 9% of older adults with no high school education—this is in Hamilton; the data in Canada is very similar.

If we want to increase workforce participation among older adults, we must first begin by increasing post-secondary access and completion for young people. This is key to ensuring the next generation will work for a longer period.

To ensure that today's youth extend their working lives into their 70s instead of retiring at 65, the federal government should consider, as a minimum, things such as adopting recommendations of the Assembly of First Nations with regard to increased funding for on-reserve schools and post-secondary access, and increasing funding for the Canada student loans program. I'm sure you've had other witnesses speak about other ways that the federal government can increase access and completion of post-secondary education.

The Canada job grant does not look that promising for older workers. We've heard a lot of concerns here in Hamilton that older workers are less likely to benefit from what was announced in the last budget. The required matching contribution from employers will favour younger workers because employers are less likely to invest their own training dollars in an older worker.

The second thing I want to speak about is the challenges faced by older workers in the labour market. The SPRC has many contacts with laid-off and unemployed older workers through research interviews we've done and poverty elimination committees that we are part of. Their experience is that older workers face significant age discrimination from employers. Secondly, the physical labour performed by many workers in Hamilton for decades has taken an enormous toll on their bodies and their health. Reintegrating these workers into labour markets would require not only retraining but also significant accommodation of workers' disabilities, which few employers are willing to do.

Lastly, I will speak about generational equity. We published a report recently about median employment incomes in Hamilton of the overall population and young workers. In 1976, young workers aged 20 to 24 used to earn about 68% of the median employment income in Hamilton. In 2010, young workers were only earning about 44% of the median employment earnings of the population.

Youth income has been declining for decades due to factors such as fewer hours of work, lower wages, longer time unemployed between contracts, and even the rise of unpaid internships. There's not enough data on that. We hope that Stats Canada will have the resources to look at that issue. Anecdotally we're worried that is a big problem.

This big crisis in generational equity is being ignored. Lower income for youth is leading young people to live longer with their parents, to delay starting a family, or to postpone buying a home. These all have very negative impacts on the economy, obviously. Precarious employment has negative effects on workers' physical and mental health, which increases costs to the health care system.

● (1130)

Unless policy changes are made to reverse these trends, low-income and precarious work means today's young workers will have very little of their own savings and be less likely to accumulate full CPP benefits. This means they will be more likely to need OAS and GIS when they retire. Delaying the age—

The Chair: I wonder, Ms. Mayo, if I could get you to wrap up and conclude.

Ms. Sara Mayo: Yes, this is my last sentence.

Delaying the age at which young workers will be able to access OAS and GIS, compared to their parents and grandparents, is fundamentally unfair.

Thank you.

The Chair: Before we go to rounds of questioning, my understanding is that bells will ring at 11:16 and votes will be at 12:16.

Pardon?

A voice: Bells will go at 11:46.

The Chair: Bells will ring at 11:46 and votes will be at 12:16. So with that in mind, I don't suggest we come back after the votes. I'd rather we conclude with three rounds of questions, and that we try, if we're still here on Thursday, to arrange for the second panel to appear by video conference on Thursday. In any event, if we couldn't arrange that, we would meet on Thursday morning to deal with drafting instructions.

I know we had copious notes with respect to the drafting instructions, and if we don't meet again on Thursday, you might proceed on that basis, unless someone particularly draws something to your attention in the interim.

So with that, we will proceed with three rounds of questions, and then I will adjourn when the bells ring.

Monsieur Boulerice, go ahead.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

I would like to thank our three guests for giving very interesting presentations.

My first question is for Ms. Mayo who is in Hamilton.

I would like to follow up on your conclusion. The issue of increasing the eligibility age for Old Age Security benefits is of great interest to us. The Conservative government tells us that since the announcement was made far in advance, people will have the time to prepare.

However, in my riding, a number of people earn minimum wage or \$12 an hour. They won't be able to invest \$2,000 a year in their RRSP. We are pleased when people choose to work longer, but we are not so pleased to see them being forced to do so. What kind of impact do you think this will have on your environment, especially on the health of those people who will be forced to work two years longer?

Ms. Sara Mayo: Thank you very much for your question.

I support what you said. I think we will run into many of these problems in Hamilton. We are noticing problems currently. When the labour market doesn't pay enough, we see people who can't save money.

[*English*]

I'll just speak in English for a minute.

We agree with Dr. Finnie's comments about savings being very important. We do need more collective savings instruments, but individual savings alone are not going to get us through this crisis. There have to be broader solutions to improve wages for young workers so that they are able to do their own saving and participate more fully in the CPP.

• (1135)

[*Translation*]

Mr. Alexandre Boulerice: Thank you very much, Ms. Mayo.

Mr. Gray, a little earlier, you said that more and more people are working longer.

Let's take the example of someone who is a member of a labour union. The person's seniority and experience are taken into account and the person benefits from protected rights and social benefits. Do you think this could contribute to a person's decision to voluntarily continue working?

Dr. David Gray: I was referring to displaced workers. I am not sure I fully understand your question. I was saying that a worker with a job like you just described, who is laid off, will incur enormous losses due to the adjustment. I think these workers are faced with discrimination in the labour market, and potential employers do not consider them to be very appealing.

Mr. Alexandre Boulerice: Thank you.

Mr. Finnie, you mentioned an interesting idea. You spoke about collective savings schemes, which protect individuals better than their individual investments do. That's an idea to be developed. You said that it could be CPP but that it doesn't necessarily have to be. There could be other possibilities. Adjustments would have to be made when a crisis occurs, such as the one in 2008.

If I may, I would like to ask you the following question. Could we put in place international policies to avoid a crisis like the one of 2008? Can we prevent speculators from taking on numerous bad mortgages and selling them on the market as a financial product, which is completely toxic? Can they be stopped from creating a financial product, that they then bet against, after selling it to investors?

Are there rules to consider that could prevent a crisis like the one in 2008?

Prof. Ross Finnie: I am not an expert in the organization of finances. I am not working on this matter, so I cannot give an opinion on it.

Mr. Alexandre Boulerice: That's unfortunate.

How much time do I have left, Mr. Chair?

[*English*]

The Chair: You have one minute. Do you want to use it?

[*Translation*]

Mr. Alexandre Boulerice: Yes. Thank you.

Could the government require companies to reduce the administrative costs of individual RRSPs? You mentioned that these fees are around 2% per year whereas the return is 4%. As a result, 50% of the

return goes towards these fees. Could such a measure be beneficial to workers?

Prof. Ross Finnie: As an economist, I would be reluctant to adopt such a policy. I am in favour of the government intervening when it's necessary, but the idea of forcing a price or something of that nature...

Mr. Alexandre Boulerice: You prefer finding an alternative.

Prof. Ross Finnie: That's right. Finding an alternative would eliminate such a problem.

[*English*]

The Chair: Thank you for that exchange.

Mr. McColeman, go ahead.

Mr. Phil McColeman (Brant, CPC): Thank you, Chair.

Thank you to the witnesses here today.

Dr. Finnie, I'd like to ask you a few questions because I like your idea of the possibility of non-governmental vehicles perhaps being in the overall mix. I look at the generation just before us and what they did. I come from a blue-collar town and a blue-collar family. My parents' savings were basically the equity in their house and some small RRSPs. It's generational.

When RRSPs came.... I understand your thoughts about RRSPs in terms of the loading of the fees that are taking away from the growth of the fund. Having said that, however, I will say that many people, especially in the category I've just mentioned, do not have the wherewithal to invest in vehicles that they would understand and for which they would be willing to accept the associated risk factors.

So I'm not so down on RRSPs as you are, and I want to make this comment about them and maybe have you react to it. When people arrive at their retirement, the theory is that the government has matched their contribution through tax deferral. That tax deferral at the time of a high income level is reduced in retirement, because of the decrease in income, generally speaking, that the average Canadian would experience in retirement.

The fact is that they would be paying the taxes on their withdrawals from RRSPs, from that lower tax base, and would also, with the legislation we brought in that was called income splitting for seniors, have the ability to split income. That income now can be split between spouses. I'd like your comments on that.

I'm going to bring all my questions to you, because I know we're short on time. You did not mention in your comments the tax-free savings plan that we brought in, again as a savings vehicle in the mix of things, as you've described, and as another way for every Canadian to put away—we upped it this year—\$5,500 a year tax free. That can be taken out at any point in time. It's an incentive, an inducement, to put money away for retirement. It's another inducement.

The third item that we've brought to the table is the pooled registered pension plan. It's in the exact design that you've just talked about in terms of how you answered the previous question. It's pooling resources. It offers Canadians another vehicle to pool, to put resources in registered pension plans to be managed by a pension plan fund similar to the way CPP is managed, as an alternative to savings, again to incent Canadians to put money away.

As I mentioned, on the mix of those things and the direction we've taken to encourage savings for Canadians, the thinking is that many do have limited resources. For many of them, their savings plan, as I've said, is to pay off their mortgage and own their house. When they get to retirement, many of them have to liquidate that or do liquidate that as they age—

• (1140)

The Chair: Mr. McColeman, you might want to give him an opportunity to respond.

Mr. Phil McColeman: So please respond.

Voices: Oh, oh!

The Chair: You have about a minute and 15 seconds.

Prof. Ross Finnie: The world could be a much better place, I agree.

First of all, income splitting is I think partly a philosophical issue, and I don't want to get into that. I'd rather focus my response on the other issue.

The tax-free savings plan I think in principle is a good thing, but I think the take-up rates are not high. That exactly reflects part of the problem.

Similarly, the pooled registered savings plan I think had great potential. It just didn't go nearly far enough nearly soon enough. The reason is that it requires the employer, first of all, to be on board. The employer actually has to take the initiative. If you're a worker out there, and you want to be part of a savings scheme, you have to be with an employer who actually wants to be part of this. As well, the transferability across plans is not what it could or should be.

So if I'm looking at a vehicle, yes, I agree that in that direction it is a collective scheme. But the one that goes further, that allows every worker to participate, and that allows for greater transferability from one job to another will get more people saving the amount they want to save.

The Chair: Thank you.

We'll move to Mr. Cuzner until the bells ring.

Go ahead.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you.

Mr. Gray, you had referenced the studies done about retraining. Is your concern around the outcomes or results of these studies that are being done, or is there a lack of study being done on it, or is there a lack of retraining taking place?

You had voiced some concern in your comments, but I didn't get exactly what the concern was.

Dr. David Gray: Those are very good questions.

When it comes to older displaced workers particularly, the time horizon that exists in order to recoup the initial cost of retraining is relatively short. That's one of the reasons why retraining for another occupation might not be the ideal policy response in the case of an older displaced worker.

The research has tended to show that job retraining programs suffer from a lot of design flaws, perhaps, in that when they're done outside of the apprenticeship model, where there really might be a vacancy for the worker down the road, it's kind of a hit-or-miss operation.

I think the evidence is suggesting that what does pay off more than trying to retrain someone for a specific occupation is to retrain them in bolstering their more generally applicable skills of literacy, numeracy, and document use, perhaps with a year at a community college or something like that. That's a good way to help them learn how to learn, and how to be trained for, a new job, and the skills when the new job comes up.

• (1145)

Mr. Rodger Cuzner: Is there a body of evidence, or are assessments being made, on the efficiency or the effectiveness?

Dr. David Gray: Yes, sir, including on a cost-benefit basis. We look at such things as how many of them are re-employed two years out and what wage they're earning. We have to always compare them with a group of hopefully identical workers who were not laid off. For the United States and for Canada, the evidence is kind of disappointing.

Mr. Rodger Cuzner: Okay.

You made a shameless plug on the data sets. Could you expand on the need for them?

Dr. David Gray: Oh, certainly. I wanted to keep it vague, but if you want...

The type of data that we really need is what is called longitudinal data. That means we can follow people over time. A number of very, very useful data sets exist at Revenue Canada...or not Revenue Canada, although that's where the data comes from originally. They exist at Statistics Canada, and they allow us to follow adult Canadians from the time they are 18 until the time they die.

Having that type of data is very, very useful for analyzing how the labour market works—sort of the dynamics of the labour market. But there are other data sets that have existed in the past that could, and I think should, be resurrected to allow us to look at different dimensions of labour market activity.

Mr. Rodger Cuzner: Thank you.

Mr. Finnie, you didn't get an opportunity to comment on Mr. McColeman's comment about the pooled registered plan. I know you had indicated concern with RRSPs, with regard to the administration costs, the haircut you take on the moneys earned there. With pooled registered pension plans, we've heard concerns before about the administrative costs of that as well. Would you care to make a comment on that, or do you feel confident in making a comment?

Prof. Ross Finnie: Yes, sure. Thank you.

I want to emphasize that I think the pooled registered savings plan was definitely a step in the right direction. I think the government should be commended for that.

Mr. Rodger Cuzner: That wasn't the answer I was looking for, but go ahead.

Prof. Ross Finnie: Well, there's a "but" there.

Voices: Oh, oh!

Mr. Rodger Cuzner: Okay.

Prof. Ross Finnie: I want to emphasize that I'm here to be fair.

Mr. Rodger Cuzner: Absolutely.

Prof. Ross Finnie: I don't think it went nearly as far as it could have or should have. I would simply urge the government to go further in that direction, precisely because when you invest in an RRSP, you have to make all these decisions—do I want this, do I want that—and you buy into some sort of pool. But people don't have the understanding of those instruments. They don't have an understanding even of what they're putting their money into. We all

feel that. I feel that. I have a Ph.D in economics; I don't understand my savings plans.

It's a mechanism that allows you to basically buy into a plan that says, look, you're going to contribute this much and you're going to get a fair return on that money. It will be invested. It's riskier when you're young, and then with a gradual evolution over time it will naturally evolve towards a more certain investment later. All these sorts of things that each of us would probably want to do are built into the plan. If you want to exercise your own options on top of what is in the normal plan or the standard choice of plans, then you can do that too. In that way, I think it achieves the best of the RRSPs, the best of this initiative, and we can go forward with that.

The Chair: Thank you, Professor Finnie and Professor Gray, for being with us, and also Ms. Mayo.

The bells are now ringing, so I'm going to adjourn. We'll see whether or not we reconvene on Thursday, depending on whether the House is sitting or not.

With that, the meeting is adjourned.

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