



## Press Release

For immediate release

### **Prairies to Lose Nearly 15,000 Jobs in the Wake of Planned Federal Budget Cuts**

**Ottawa, March 7, 2012** – Nearly 15,000 workers in Alberta, Saskatchewan and Manitoba will lose their jobs if the Canadian government follows through on its plan to cut more than \$8 billion in spending from its forthcoming budget.

In addition to these job losses, the region's gross domestic product (GDP) is expected to shrink by \$1.4 billion, which could slow down the regional economy.

Alberta will be the hardest hit of the Prairie provinces, with 8,000 Albertans losing their jobs and the province's GDP shrinking by \$786 million.

According to the Canadian Association of Professional Employees (CAPE), the Canadian Input-Output Model developed by Statistics Canada and used by numerous federal departments and agencies projects that the budget cuts announced by the Conservative government will have a strong impact on the private sector. All across Canada, small businesses will bear the brunt of the blow. In the Prairies, the economic model predicts that 1,200 jobs will be lost in the retail trade sector and 532 jobs will disappear in the food services sector. Even Alberta's leading industry, the oil and gas sector, is expected to incur about a hundred job losses.

After predicting a \$10.17-billion reduction in Canada's GDP and no fewer than 116,000 job losses nationwide, CAPE released regionalized data today generated through the use of an economic model developed by Statistics Canada.

*"The economic model we are using is tried and tested,"* said CAPE President Claude Poirier. *"We ran the model on the basis of the figures that have put forward more than a few times by Canada's Minister of Finance, namely a proposed government spending reduction of \$8 billion or 10% of the federal budget. This model has predicted some troubled times for the Canadian economy if the government continues to stick to its objective and proceeds with this massive cut in federal spending."*

The proposed federal spending cuts will have an impact on economic growth across Canada. While retail trade and food services will be the sectors most affected in

Western Canada, other sectors will also be feeling the pinch: 300 job losses are predicted in construction, 338 in the wholesale trade sector, 272 in architecture and engineering, and even about 100 in the banking sector.

*“Since the release of our first analysis on February 21,” Mr. Poirier added, “the government has clearly been trying to calm the waters by stating that the forthcoming budget will not be austere so much as it will focus on prudent and balanced spending. But even budget cuts of 5% or \$4 billion would lead to the loss of 7,000 jobs in the Prairies. This means that there are waiters and waitresses, cooks, accountants, taxi drivers, architects and health care professionals in Manitoba, Saskatchewan and Alberta who will be joining the ranks of the unemployed.”*

*CAPE represents approximately 13,000 economists and social science services employees who advise the government on public policy, 1,000 translators, interpreters and terminologists who provide the bilingual face of the government, and 85 analysts and research assistants at the Library of Parliament.*

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**[Background information](#)**

**[Explanatory notes](#)**