

HANDOUT 2.1: BUDGET 2021 HIGHLIGHTS

Each year, the Government of Canada prepares a budget that provides Canadians with a financial plan for expected government spending, and projected revenue for the current year (and beyond).

The 2021 budget was released on April 19, 2021, and was titled “A Recovery Plan for Jobs, Growth, and Resilience”. This budget was particularly notable because the Government of Canada did not release a formal budget in spring 2020 due to the pandemic, making it the first formal budget in over two years.

Key info:

- The government fiscal year runs from April 1 to March 31 (12 months).
- The expenditures (money being spent) for 2021-2022 is expected to be about **\$497.6 billion**. In comparison, this amount was \$634.9 billion during the previous year.
- The amount of revenue (money coming in) for 2021-2022 is expected to be about **\$355.1 billion**. In comparison, this amount was \$296.2 billion during the previous year.
- The document lays out a plan that would see the deficit decrease from \$154.7 billion in 2021-22 to \$59.7 billion in 2022-2023.

KEY SUPPORT MEASURES INCLUDE:

Jobs Creation and workers	<ul style="list-style-type: none"> ● Canada Recovery Hiring Program: \$595 million for businesses wanting to hire back laid-off workers and bring on new staff. ● \$470 million over three years to connect 55,000 first-year apprentices in construction and manufacturing Red Seal trades with opportunities at small and medium-sized employers. Employers could receive up to \$5,000 to cover costs of bringing on apprentices and up to \$10,000 for employers who hire people traditionally underrepresented in the trades (women, racialized Canadians and persons with disabilities). ● Minimum wage increase for federal workers to \$15 per hour.
Small Businesses and Growth	<ul style="list-style-type: none"> ● Canada Digital Adoption Program: \$1.4 billion over four years for micro-grants to eligible businesses to help offset the costs of adopting new digital technologies. ● \$560 million each year for the Canada Small Business Financing Program. This increase is estimated to expand financial support measures to approximately 2,900 additional small businesses.
Women and Early Learning and Child Care	<ul style="list-style-type: none"> ● Quality, not-for-profit child care: up to \$30 billion over the next five years, and then \$8.3 billion per year after that. The federal government commits to working with provincial and territorial, and Indigenous partners to implement this plan. ● Up to \$146.9 million over four years to strengthen financing, mentorship, and training to women entrepreneurs.

	<ul style="list-style-type: none"> ● \$2.2 billion over five years ,and \$160.9 million ongoing after that, for action towards ending the national tragedy of missing and murdered Indigenous women and girls and building a safer, stronger, and more inclusive society.
Climate Action and a Green Economy	<ul style="list-style-type: none"> ● Green recovery: \$17.6 billion for actions that aim to conserve 25 per cent of lands and oceans by 2025 and cut emissions to 36 per cent below 2005 levels by 2030. ● Net Zero Accelerator: \$5 billion over seven years to support good jobs and projects that help reduce domestic greenhouse gas emissions across the Canadian economy. ● \$4.4 billion to help homeowners with green retrofits through interest-free loans of up to \$40,000.
Young Canadians	<ul style="list-style-type: none"> ● \$4.1 billion to make postsecondary education more affordable, and to provide direct support to students. Measures include: <ul style="list-style-type: none"> ○ Doubling Canada Student Grants amounts for two additional years; ○ Waiving interest on federal student loans until March 31, 2023; ○ Enhancing repayment assistance so that no person earning \$40,000 per year or less will need to make any payments on federal student loans; ○ Extending disability supports for recipients of student financial assistance whose disabilities are persistent or prolonged, but not necessarily permanent. ● \$721 million over the next two years to help connect youth and students with employers and new, quality job opportunities. ● \$150.6 million over two years, starting in 2021-22, to support Indigenous students. ● \$100 million over three years to support projects for innovative mental health interventions for populations disproportionately impacted by COVID 19 (health care workers, front-line workers, youth, seniors, Indigenous peoples, and racialized and Black Canadians).

NEW SOURCES OF REVENUE:

Luxury Goods Tax	<ul style="list-style-type: none"> ● New 10 to 20 per cent tax introduced on cars and planes worth more than \$100,000, and on boats worth more than \$250,000.
Empty Homes Tax	<ul style="list-style-type: none"> ● 1 per cent tax on homes owned by non-Canadians that are “vacant or underused.”