

Budget 2021 Summary Note

Economic context

- The current deficit stands at \$354 billion (\$35.4 billion less than forecast)
- Debt-to-GDP ratio is forecast at 51.2% of GDP in 2021-22, declining to 49.2% in 2025-26
- Canadian economy is expected to grow by 4% in 2021 (offsetting dip of 5.5% during pandemic)

Innovation and Applied Research

- \$46.9 million to the College and Community Innovation Program over 2 years to support additional partnerships
- \$5.7 million to Industrial Research Assistance Program Interactive Visits, supporting access to equipment, facilities and expertise at Technology Access Centres
- \$500 million to Industrial Research Assistance Program over 5 years, with \$100 million per year ongoing
- \$500 million in the Canada Foundation for Innovation over 4 years to support the bio-science capital and infrastructure needs of post-secondary institutions and research hospitals
- \$250 million over 4 years to create a new tri-council biomedical research fund

Regional Development Agencies

- \$700 million over 3 years for the regional development agencies to support business financing related to long-term growth, a green economy, inclusive recovery and enhancing competitiveness
- \$553.1 million over 5 years and \$110.6 million ongoing for the creation of a new agency for British Columbia. Existing core program funding from Western Economic Diversification will remain to support Prairie provinces

Technology Adoption

- The creation of the Canada Digital Adoption Program to help SMEs adopt new digital technologies
- \$1.4 billion over 4 years (ISED) to provide access to skills, training and advisory services for businesses
- Create training and work opportunities for as many as 28,000 young people to help small and medium-sized businesses across Canada adopt new technology

Strategic Innovation Fund

- \$2.2 billion over 7 years, and \$511.4 million ongoing to support innovative projects across the economy, including in the life sciences, automotive, aerospace and agriculture sectors
- \$5 billion over 7 years to increase funding for the Strategic Innovation Fund's Net Zero Accelerator

Workforce development, training and upskilling

- \$960 million for a new Sectoral Workforce Solutions Program (ESDC) to design and deliver training relevant to the needs of businesses; 40% of workers from underrepresented groups
- \$298 million for a new Skills for Success program (ESDC) funding organizations to design and deliver training to enhance foundational skills (literacy and numeracy), as well as transferable and soft skills
- \$55 million for a Community Workforce Development Program (ESDC) to develop local plans for high-growth organizations, connecting employers with training providers to develop and deliver training and work placements to upskill/reskill jobseekers
- \$250 million (ISED) for an initiative to scale-up proven industry-led, third-party delivered approaches to upskill and redeploy workers to meet the needs of growing industries

Skilled trades and apprenticeship

- \$470 million to establish a new Apprenticeship Service (ESDC) to offset direct costs of employers for first-year apprentices in construction and manufacturing Red Seal trades (\$5,000 to cover costs including salaries and training; \$10,000 under-represented groups)

Work placements and youth employment

- \$239.8 million to the Student Work Placement Program in 2021-22 to support work-integrated learning opportunities for post-secondary students
 - Increase the wage subsidy to 75% / up to \$7,500 per student
 - Provides 50,000 young people (+20,000) with experience-building opportunities
- \$708 million over 5 years to Mitacs to create at least 85,000 work-integrated learning placements
- \$109.3 million in 2022-23 for the Youth Employment and Skills Strategy to better meet the needs of vulnerable youth facing multiple barriers to employment (+7,000 additional job placements)
- \$371.8 million in new funding for Canada Summer Jobs in 2022-23 (+75,000 new job placements)

Student financial assistance

- Proposing to extend the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023 (affecting ~1.5 million Canadians repaying student loans)
- Proposal to increase the threshold for repayment assistance to \$40,000 for borrowers living alone
 - For students from larger households, the threshold will be modified to match Canada Student Grants
 - Cap on monthly loan payments reduced from 20% of household income to 10%
- Intention to extend doubling of the Canada Student Grants until the end of July 2023

Indigenous mental health and post-secondary education

- \$597.6 million over 3 years for a distinctions-based mental health and wellness strategy with First Nations, Inuit and Métis communities. The strategy will renew funding for the Indian Residential Schools Health Supports Program and Crisis Line, supporting survivors of childhood trauma and residential schools. It will also stabilize and expand community-based supports and capacity, increase substance use treatment and prevention, and support workforce development
- \$150.6 million over 2 years to support Indigenous students through the Post-Secondary Student Support Program and the Inuit and Métis Nation Post-Secondary Education Strategies
- \$26.4 million through the Post-Secondary Partnerships Program and the Inuit and Métis Nation Post-Secondary Education Strategies to support Indigenous post-secondary institutions during COVID-19

Employment Insurance (EI) and gig workers

- \$3.9 billion over 3 years for a suite of legislative changes to make EI more accessible and simpler for Canadians
- Forthcoming consultations on future, long-term reforms to EI (\$5 million over 2 years to conduct targeted consultations)
- Commitment to improve labour protection for gig workers

Mental Health

- \$45 million over 2 years to help develop national mental health service standards
- \$100 million over 3 years to support projects for innovative mental health interventions for populations disproportionately impacted by COVID-19
- \$62 million for the Wellness Together Canada portal to provide continued access to tools and services to support mental health and well-being

Infrastructure

- \$22.6 million over 4 years (Infrastructure Canada) to conduct a National Infrastructure Assessment to help identify needs and priorities for Canada's built environment