

Federal Budget 2021 from a United Way Centraide Lens

Analysis

[Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience](#) touches on several of United Way Centraide Canada's (UWCC) priority policy and program areas, including \$143B in new measures over its 724 pages. Importantly, the budget recognizes that charities, non-profits, and social enterprises provide essential services and that the sector has been hard hit by the pandemic. It is significant that the Government of Canada has recognized and committed to temporary support for the "thriving social sector" to build healthy, resilient, and inclusive communities across Canada. In particular, UWCC applauds the government's proposed Community Services Recovery Fund, which draws heavily on our budget proposals and advocacy on behalf of the sector.

The centrepiece of the budget is a historic investment in a pan-Canadian childcare system. In addition, investments were announced to enhance equity for racialized communities and women, bolster mental health support, address housing and homelessness, create jobs and enhance income security. The government also plans to extend pandemic emergency programs such as the Canadian Emergency Wage Subsidy until September 2021 in recognition of the ongoing nature of the pandemic.

The NDP has already signaled their plans to support the passage of the budget, thus avoiding a non-confidence vote and a snap election.

Highlights

Sector Supports

Supporting Community Service Organizations

- Budget 2021 proposes to provide \$400 million in 2021-22 to Employment and Social Development Canada to create a temporary **Community Services Recovery Fund** to help charities and non-profits adapt and modernize so they can better support the economic recovery in our communities.

Review of Disbursement quota

- Budget 2021 proposes launching public consultations with charities over the coming months on potentially increasing the **disbursement quota** and updating the tools at the Canada Revenue Agency's disposal, beginning in 2022. This could potentially increase support for the charitable sector and those that rely on its services by between \$1 billion and \$2 billion annually.

Social Finance

- The government is proposing to launch planned disbursements of the \$755 million **Social Finance Fund** and deploy up to \$220 million over its first two years. It is estimated that the Social Finance Fund could attract up to \$1.5 billion in private sector capital to support the development of the social finance market, create thousands of new jobs, and drive positive social change.
- Budget 2021 proposes to **renew the Investment Readiness Program** for \$50 million over two years, starting in 2021-22. This program supports charities, non-profits, and social purpose organizations in capacity-building activities such as business plan development, expanding products and services, skills development, and hiring.

Social Bonds

- Budget 2021 proposes to explore the potential for **social bonds** to complement the government's existing debt program. The government intends to include this topic as part of the Debt Management Strategy consultations this fall.

Food Security

- Budget 2021 proposes to provide \$140 million in 2021-22 to top up the **Emergency Food Security Fund** and **Local Food Infrastructure Fund**, which would prevent hunger, strengthen food security in our communities, and provide nutritious food to more Canadians.
- Budget 2021 proposes to provide \$163.4 million over three years, starting in 2021-22, to expand the **Nutrition North Canada** program and enable the Minister of Northern Affairs to work directly with Indigenous partners, including in Inuit Nunangat, to address food insecurity.

Extending emergency measures for businesses, charities and non-profits

- Budget 2021 proposes to **extend the wage subsidy** until September 25, 2021. It also proposes to gradually decrease the subsidy rate, beginning July 4, 2021, in order to ensure an orderly phase-out of the program as vaccinations are completed and the economy reopens.
- Budget 2021 proposes to **extend the rent subsidy and Lockdown Support** until September 25, 2021. It also proposes to gradually decrease the rate of the rent subsidy, beginning July 4, 2021, in order to ensure an orderly phase-out of this program as vaccinations are completed and the economy reopens.

Measures to support an Equitable Recovery

Indigenous Communities

- A new investment of over **\$18 billion** over the next five years, to improve the quality of life and create new opportunities for people living in Indigenous communities. This includes additional funding for COVID-19 response, new distinctions based mental health strategy, education, infrastructure and economic growth, responding to gender-based violence, community safety and recognizing self-determination.

Gender Equity

- Budget 2021 proposes new investments totaling up to \$30 billion over the next 5 years and \$8.3 billion ongoing for **Early Learning and Child Care** and **Indigenous Early Learning and Child Care**.

Black Communities

- Budget 2021 proposes to provide \$200 million in 2021-22 to Employment and Social Development Canada to establish a new **Black-led Philanthropic Endowment Fund**. This fund would be led by Black Canadians and would create a sustainable source of funding, including for Black youth and social purpose organizations, and help combat anti-Black racism and improve social and economic outcomes in Black communities.
- Budget 2021 proposes to provide \$100 million in 2021-22 to the **Supporting Black Canadian Communities Initiative** at Employment and Social Development Canada.

Protecting Seniors

- Budget 2021 proposes to provide \$3 billion over five years, starting in 2022-23, to Health Canada to support provinces and territories in ensuring **standards for long-term care** are applied and permanent changes are made.
- Budget 2021 proposes to provide \$41.3 million over six years, and \$7.7 million ongoing, starting in 2021-22, for Statistics Canada to improve **data infrastructure and data collection** on supportive care, primary care, and pharmaceuticals.
- Budget 2021 proposes to provide \$90 million over three years, starting in 2021-22, to Employment and Social Development Canada to launch the **Age Well at Home initiative**. Age Well at Home would assist community-based organizations in providing practical support that helps low-income and otherwise vulnerable seniors age in place, such as matching seniors with volunteers who can help with meal preparations, home maintenance, daily errands, yard work, and transportation. This initiative would also support regional and national projects that help expand services that have already demonstrated results in helping seniors stay in their homes. For example, knowledge hubs can help seniors access the local services available to them or provide information, resources, and training to community-based organizations delivering practical supports to seniors.

Accessible communities and workplaces

- Budget 2021 proposes to provide additional funding of \$100 million over two years, starting in 2021-22, to Employment and Social Development Canada to triple funding for the **Enabling Accessibility Fund** and support small and mid-sized projects with not-for-profit organizations, women's shelters, child care centres, small municipalities, Indigenous organizations, territorial governments, small businesses, and businesses of all sizes. This would help offset the costs of renovations, retrofits, and accessible technologies in workplaces.

LGBTQ2 communities

- Budget 2021 proposes to provide \$15 million over three years, starting in 2021-22, to Women and Gender Equality Canada for a new **LGBTQ2 Projects Fund** dedicated to supporting community-informed initiatives to overcome key issues facing LGBTQ2 communities, such as accessing mental health services and employment support.
- Budget 2021 also proposes to provide \$7.1 million over three years, starting in 2021-22, to Canadian Heritage to continue to support the work of the **LGBTQ2 Secretariat**—which coordinates work across government—and enable the continued development of an LGBTQ2 Action Plan.

Veterans

- Budget 2021 proposes to provide \$140 million over five years starting in 2021-22, and \$6 million ongoing, to Veterans Affairs Canada for a program that would **cover the mental health care costs of veterans** with PTSD, depressive, or anxiety disorders while their disability benefit application is being processed.
- Budget 2021 proposes to provide an additional \$15 million over three years, starting in 2021-22, to Veterans Affairs Canada to expand and enhance the **Veteran and Family Well-Being Fund** for projects that will support veterans during the post COVID-19 recovery, including addressing homelessness, employment, retraining, and health challenges.

Disaggregated Data

- Budget 2021 proposes to provide \$172 million over five years, starting in 2021-22, with \$36.3 million ongoing, to Statistics Canada to implement a **Disaggregated Data Action Plan** that will fill data and knowledge gaps. This funding will support more representative data collection, enhance statistics on diverse populations, and support the government's, and society's, efforts to address systemic racism, gender gaps—including the power gaps between men and women—and bring fairness and inclusion considerations into decision making.

Building stronger communities

Early learning and child care

- Budget 2021 proposes new investments totaling up to \$30 billion over the next 5 years, and \$8.3 billion ongoing for **Early Learning and Child Care** and **Indigenous Early Learning and Child Care**. Combined with previous investments announced since 2015, a minimum of \$9.2 billion per year ongoing will be invested in child care, including Indigenous Early Learning and Child Care, starting in 2025-26.

Youth

- Budget 2021 proposes to provide \$118.4 million over two years starting in 2021-22, for Employment and Social Development Canada to conduct a two-year pilot expansion of federal investments in after-school programming under the **Supports for Student Learning Program**. These funds would support national and local after-school organizations who work to ensure that vulnerable children and youth can graduate high school and do not become further marginalized because of the pandemic. Of this amount, \$20 million will be reallocated from internal resources within the department.
- Budget 2021 proposes to invest \$239.8 million in the **Student Work Placement Program** in 2021-22 to support work-integrated learning opportunities for post-secondary students. This funding would increase the wage subsidy available for employers to 75 per cent, up to \$7,500 per student, while also increasing employers' ability to access the program. This is expected to provide 50,000 young people (an increase of 20,000) with valuable experience building opportunities in 2021-22.
- Budget 2021 proposes to invest \$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, while also supporting over 7,000 additional job placements for youth. This builds on funding announced in the 2020 Fall Economic Statement, which is

expected to result in over 30,600 new placements in 2021-22. This will make it easier for young people to get good jobs.

- Budget 2021 proposes to invest \$371.8 million in new funding for **Canada Summer Jobs** in 2022-23 to support approximately 75,000 new job placements in the summer of 2022. This is in addition to 2020 Fall Economic Statement funding for approximately 94,000 additional job placements in 2021-22. In total, the Canada Summer Jobs program will support around 220,000 summer jobs over the next two years.

Employment and training

- Budget 2021 proposes to introduce the new **Canada Recovery Hiring Program** for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic. The proposed subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff. This support would only be available for active employees and will be available from June 6 to November 20, 2021. Eligible employers would claim the higher of the Canada Emergency Wage Subsidy or the new proposed subsidy. The aim is to make it as easy as possible for businesses to hire new workers as the economy reopens. *Note: it is not yet clear if charities and nonprofits can qualify.*
- The Government of Canada is announcing its intention to introduce legislation that will establish a **federal minimum wage** of \$15 per hour, rising with inflation, with provisions to ensure that where provincial or territorial minimum wages are higher, that wage will prevail. This will directly benefit over 26,000 workers who currently make less than \$15 per hour in the federally regulated private sector.
- Budget 2021 proposes to provide \$55 million over three years, starting in 2021-22, to Employment and Social Development Canada for a **Community Workforce Development Program**. The program will support communities to develop local plans that identify high potential growth organizations and connect these employers with training providers to develop and deliver training and work placements to upskill and reskill jobseekers to fill jobs in demand.

Income security

a) Extending pandemic benefits

- Government proposes to provide up to 12 additional weeks of **Canada Recovery Benefit** to a maximum of 50 weeks. The first four of these additional 12 weeks will be paid at \$500 per week. As the economy reopens over the coming months, the government intends that the remaining 8 weeks of this extension will be paid at a lower amount of \$300 per week claimed. All new Canada Recovery Benefit claimants after July 17, 2021 would also receive the \$300 per week benefit, available up until September 25, 2021.
- Budget 2021 also proposes to extend the **Canada Recovery Caregiving Benefit** an additional 4 weeks, to a maximum of 42 weeks, at \$500 per week, in the event that caregiving options, particularly for those supporting children, are not sufficiently available in the interim as the economy begins to safely reopen.

b) Employment Insurance

- Budget 2021 proposes \$3.9 billion over three years, starting in 2021-22, for a suite of **legislative changes to make EI more accessible and simpler** for Canadians over the coming year while the job market begins to improve.

- Budget 2021 announces forthcoming consultations on future, long-term **reforms to EI**. To support this effort, the government proposes to provide \$5 million over two years, starting in 2021-22, to Employment and Social Development Canada to conduct targeted consultations with Canadians, employers, and other stakeholders from across the country. Consultations will examine systemic gaps exposed by COVID-19, such as the need for income support for self-employed and gig workers; how best to support Canadians through different life events such as adoption; and how to provide more consistent and reliable benefits to workers in seasonal industries. Any permanent changes to further improve access to EI will be made following these consultations and once the recovery is fully underway.
- Budget 2021 proposes funding of \$3.0 billion over five years, starting in 2021-22, and \$966.9 million per year ongoing to enhance **sickness benefits** from 15 to 26 weeks, as previously committed to in the Minister of Employment, Workforce Development and Disability Inclusion's mandate letter. This extension, which would take effect in summer 2022, would provide approximately 169,000 Canadians every year with additional time and flexibility to recover and return to work.

c) *Canada Workers Benefit expansion*

- Budget 2021 proposes to expand the **Canada Workers Benefit** to support about 1 million additional Canadians in low-wage jobs, helping them return to work and increasing benefits for Canada's most vulnerable. The government would raise the income level at which the benefit starts being reduced to \$22,944 for single individuals without children and to \$26,177 for families. This means that for the first time, most full-time workers earning minimum wage will receive significant support from this important benefit.

d) *Seniors*

- Budget 2021 proposes to meet the immediate needs seniors 75 or older by providing a one-time payment of \$500 in August 2021 to **OAS pensioners** who will be 75 or over as of June 2022.
- Budget 2021 then proposes to introduce legislation to increase **regular OAS payments** for pensioners 75 and over by 10 per cent on an ongoing basis as of July 2022. This would increase the benefits for approximately 3.3 million seniors, providing additional benefits of \$766 to full pensioners in the first year, and indexed to inflation going forward.

e) *Consulting on a new disability benefit*

- Budget 2021 proposes to provide \$11.9 million over three years, starting in 2021-22, to Employment and Social Development Canada to undertake consultations to **reform the eligibility process for federal disability programs and benefits**.

Mental health

- Budget 2021 proposes to provide \$45 million over two years, starting in 2021-22, to Health Canada, the Public Health Agency of Canada, and the Canadian Institutes of Health Research to help develop **national mental health service standards**, in collaboration with provinces and territories, health organizations, and key stakeholders.
- Budget 2021 proposes to provide \$100 million over three years, starting in 2021-22, to the Public Health Agency of Canada to support projects for **innovative mental health**

interventions for populations disproportionately impacted by COVID-19, including health care workers, front-line workers, youth, seniors, Indigenous people, and racialized and Black Canadians.

- Budget 2021 proposes to provide \$50 million over two years, starting in 2021-22, to Health Canada to support a trauma and post-traumatic stress disorder (PTSD) stream of **mental health programming for populations at high risk of experiencing COVID-19 trauma** and those exposed to various trauma brought about by COVID-19.
- Budget 2021 proposes to provide \$62 million, in 2021-22, to Health Canada for the **Wellness Together Canada portal** so that it can continue to provide Canadians with tools and services to support mental health and well-being.
- The Canadian Radio-television and Telecommunications Commission is launching a regulatory proceeding to consult on a proposed **three-digit hotline** so Canadians have a memorable number they can call when they need help. The government is supportive of these efforts including ensuring funds are available to support the creation of this hotline.

Opioid Crisis

- Budget 2021 proposes to provide an additional \$116 million over two years, starting in 2021-22, building on \$66 million invested in the 2020 Fall Economic Statement, for the **Substance Use and Addictions Program** to support a range of innovative approaches to harm reduction, treatment, and prevention at the community level.

Housing

- Budget 2021 proposes to provide an additional \$2.5 billion over seven years, starting in 2021-22, to the Canada Mortgage and Housing Corporation, including:
 - An additional \$1.5 billion for the **Rapid Housing Initiative** in 2021-22 to address the urgent housing needs of vulnerable Canadians by providing them with adequate affordable housing in short order. At least 25 per cent of this funding would go towards women-focused housing projects, and units would be constructed within 12 months of when funding is provided to program applicants. Overall, this new funding will add a minimum of 4,500 new affordable units to Canada's housing supply.
 - \$600 million over seven years, starting in 2021-22, to renew and expand the **Affordable Housing Innovation Fund**, which encourages new funding models and innovative building techniques in the affordable housing sector. This new funding will support the creation of up to 12,700 more units, bringing the total to over 30,000 units.
 - \$315.4 million over seven years, starting in 2021-22, through the **Canada Housing Benefit**, to increase direct financial assistance for low-income women and children fleeing violence to help with their rent payments.
 - \$118.2 million over seven years, starting in 2021-22, through the **Federal Community Housing Initiative**, to support community housing providers that deliver long-term housing to many of our most vulnerable.
- Budget 2021 proposes to advance and reallocate \$1.3 billion, on a cash basis, of previously announced funding, including:

- \$750 million in funding under the **National Housing Co-Investment Fund**, which is proposed to be advanced to 2021-22 and 2022-23. This will accelerate the creation of 3,400 new units, and the repair of 13,700 units.
- \$250 million in funding under the National Housing Co-Investment Fund, which will be allocated to support the construction, repair, and operating costs of an estimated 560 units of transitional housing and shelter spaces for women and children fleeing violence.
- \$300 million in funding in 2021-22 and 2022-23 from the **Rental Construction Financing Initiative**, which will be allocated to support the conversion of vacant commercial property into housing.

Homelessness

- Budget 2021 proposes to provide an additional \$567 million over two years, beginning in 2022-23, to Employment and Social Development Canada for **Reaching Home**. This would maintain the 2021-22 funding levels announced in the Fall Economic Statement in response to the pressures of COVID-19.
- Budget 2021 proposes to provide \$45 million over two years, beginning in 2022-23, for Employment and Social Development Canada to pilot a program aimed at reducing **veteran homelessness** through the provision of rent supplements and wrap-around services for homeless veterans such as counselling, addiction treatment, and help finding a job.

Gender-based violence

- Budget 2021 proposes to invest \$200 million over two years, starting in 2021-22, for the Department for Women and Gender Equality to support **gender-based violence organizations**.
- Budget 2021 proposes to invest \$105 million over five years, starting in 2021-22, for the Department for Women and Gender Equality to enhance its **Gender-Based Violence Program**. Funding will go to initiatives that engage men and boys. It will increase funding for initiatives to stop human trafficking, including support for at-risk populations and survivors. It will also provide support for testing and implementing best practices to address gender-based violence, with a focus on projects that could be scaled at the national level.
- Budget 2021 proposes to provide \$55 million over five years, starting in 2021-22, for the Department for Women and Gender Equality to bolster the capacity of Indigenous women and 2SLGBTQQIA+ organizations to provide gender-based violence prevention programming aimed at addressing the root causes of **violence against Indigenous women, girls, and 2SLGBTQQIA+ people**.
- Budget 2021 proposes to provide \$2 million over five years, starting in 2021-22, for Immigration, Refugees and Citizenship Canada to increase access to information and support for **new Canadians facing family and gender-based violence**, including enhancing the availability of anti-violence resources.