

Job Creation

BACKGROUND

BUDGET
2021

Budget 2021 is about finishing the fight against COVID. It's about healing the economic wounds left by the COVID recession. Overall, there remain over 500 thousand workers that have been laid off or faced working hours cuts due to the pandemic, including over 280,000 additional Canadians that have been unemployed for at least six months, still much higher than at the worst of the 2008-09 recession. Budget 2021 recognizes that a rapid and sustained economic recovery is the most reliable way to secure higher employment and income levels, improved and expanded job opportunities, and narrower economic disparities.

All together, Budget 2021 investments will create or maintain 330,000 jobs in Canada by 2022-23. This budget also creates almost 500,000 new training and work experience opportunities for Canadians.

500,000 New Training and Work Opportunities for Canadians, starting 2021

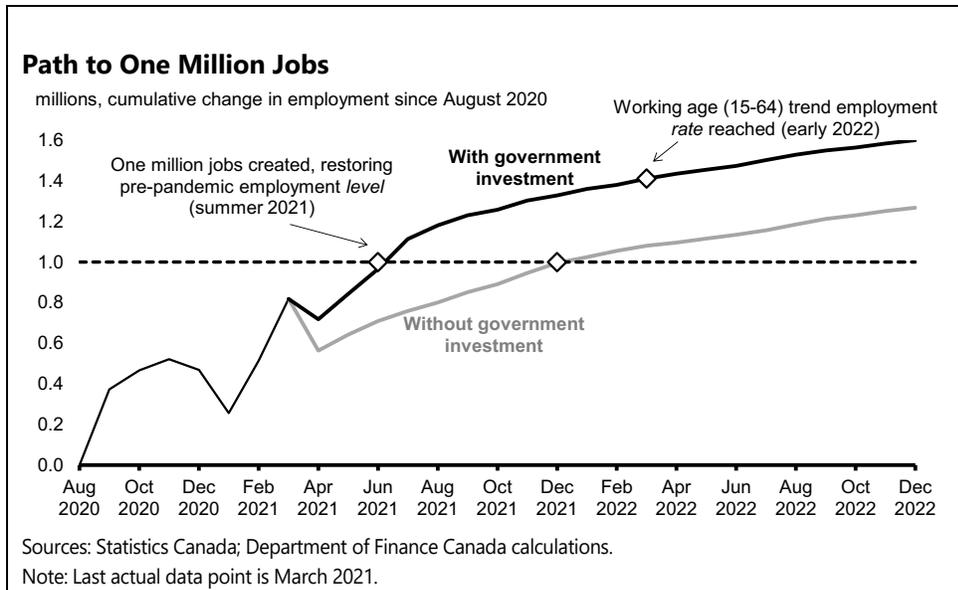
Measure	Number of new opportunities (5 year timeframe)
For Youth	
Student Work Placement Program (\$239.8 million)	20,000
Youth Employment and Skills Strategy (\$109.3 million)	7,000
Canada Summer Jobs (\$371.8 million)	75,000
Mitacs (\$708 million)	85,000
Canada Digital Adoption Program (\$4 billion)	28,000
For Core Working Age	
Sectoral Workforce Solutions Program (\$960 million)	90,000
Apprenticeship Service (\$470 million)	55,000
Skills for Success (\$298 million)	90,000
Community Workforce Development Program (\$55 million)	25,000
Transitioning Workers to New Jobs (\$250 million)	15,500

Creating One Million Jobs

In last fall's Speech from the Throne, the government announced its commitment to create one million jobs and restore employment to previous levels. Despite the severe impacts of the second wave on Canadian workers and businesses, we are on path to create one million jobs by the end of the year—ahead of the schedule predicted in the 2020 Fall Economic Statement. The

plan outlined in Budget 2021 will continue to support a strong recovery creating more good jobs in the years to come.

Even once this goal is reached there will still be work to do. Population growth means that we will still be short of our pre-pandemic employment rate level. The investments announced in this budget have put us on a path to reach this overall objective by early 2022, almost two years earlier than if the government had failed to make the extraordinary investments that get Canadians back to work and level-up Canada’s growth potential.



Jobs and Growth Through Infrastructure Investments

Infrastructure is what keeps people moving and what keeps our economy growing.

The government has accomplished a great deal in building and renewing Canada’s major infrastructure since 2016. But more needs to be done to build up our communities and ensure our economy has the 21st century infrastructure we need to be competitive. Budget 2021 lays out the government’s plan to revitalize Canada’s infrastructure, to invest in community priorities, and to build projects that contribute to a clean environment and create good middle class jobs.

In total, Budget 2021 includes over \$26 billion over six years (on a cash basis) for more reliable and accessible public transit, distinctions-based support for infrastructure in Indigenous communities, small crafts harbours, the construction and repair of energy efficient and affordable housing, and much more. These projects will create good middle-class jobs from coast to coast to coast.

Helping Hard-hit Businesses Hire More Workers

For businesses that have been hit hardest by the pandemic, hiring the workers they need to grow is a cost they may worry about taking on. The government wants these businesses to be able to recover and grow by hiring more people so that workers are at the forefront of our recovery:

- 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.

As the rates for both the wage subsidy and the hiring program will slowly ramp down over time, employers will have a strong incentive to begin hiring as soon as possible and maximize their benefit.

Extension of Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and Lockdown Support Beyond June 2021

The Canada Emergency Wage Subsidy has helped more than 5.3 million Canadians keep their jobs, and the Canada Emergency Rent Subsidy and Lockdown Support have helped more than 154,000 organizations with rent, mortgage, and other expenses. The wage subsidy and the rent subsidy and Lockdown Support programs are currently set to expire in June 2021. In order to bridge Canadians through the rest of this crisis to recovery, continued support is needed. To give workers and employers certainty and stability over the coming months:

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

Extending this support will mean that millions of jobs will continue to be protected.

More details on these measures can be found in Annex 6 of the budget.

Creating New Opportunities for Skilled Tradespeople

The skilled trades are vital to our economy, and apprenticeships are the bridge that help skilled workers, especially young people starting their careers, connect with businesses and find well-paying jobs.

- Budget 2021 proposes to provide \$470 million over three years, beginning in 2021-22, to Employment and Social Development Canada to establish a new Apprenticeship Service. The Apprenticeship Service would help 55,000 first-year apprentices in construction and manufacturing Red Seal trades connect with opportunities at small and medium-sized employers.

Employers would be eligible to receive up to \$5,000 for all first-year apprenticeship opportunities to pay for upfront costs such as salaries and training.

In addition, to boost diversity in the construction and manufacturing Red Seal trades, this incentive will be doubled to \$10,000 for employers who hire those underrepresented, including women, racialized Canadians, and persons with disabilities.

Opportunities for Businesses and Young Workers Through Mitacs

Mitacs is a not-for-profit organization that connects young workers with innovative businesses for research and training opportunities. Mitacs focusses on supporting research-based innovation in industry and developing a talent stream of highly educated students and graduates through its internship programs. These students bring cutting-edge scientific and technical knowledge from universities and colleges that will strengthen the innovation capabilities of industry. This combination of innovation and skill development for the next generation of leaders will help drive growth now and ensure long-term competitiveness and prosperity.

- Budget 2021 proposes to provide \$708 million over five years, starting in 2021-22, to Mitacs to create at least 85,000 work-integrated learning placements that provide on-the-job learning and provide businesses with support to develop talent and grow.

Investing in the Jobs of the Future

A plan for a long-term recovery must look to challenges and opportunities that lie ahead in the years and decades to come. It must be led by a growth strategy that builds on the unique competitive advantages of the Canadian economy, and make sure that Canada is well-positioned to meet the demands of the next century. We must make sure we go where the puck is going—that we are investing strategically in emerging technologies. This is where many of the jobs of the future lie.

To drive growth and create good, well-paying jobs, innovators, researchers, and entrepreneurs need to be able to translate Canada's world-class leadership in research into innovative products and services for Canadians and for the world.

Budget 2021 proposes to provide:

- \$5 billion over seven years (cash basis), starting in 2021-22, to the Net Zero Accelerator. Building on the support for the Net Zero Accelerator announced in the strengthened climate plan, this funding would allow the government to provide up to \$8 billion of support for projects that will help reduce domestic greenhouse gas emissions across the Canadian economy.
- \$500 million over five years, starting in 2021-22, and \$100 million per year ongoing, to expand the Industrial Research Assistance Program to support up to 2,500 additional innovative small and medium-sized firms.
- \$443.8 million over ten years, starting in 2021-22, in support of the Pan-Canadian Artificial Intelligence Strategy.
- \$360 million over seven years, starting in 2021-22, to launch a National Quantum Strategy. The strategy will amplify Canada's significant strength in quantum research; grow our quantum-ready technologies, companies, and talent; and solidify Canada's global leadership in this area. This funding will also establish a secretariat at the Department of Innovation, Science and Economic Development to coordinate this work.
- \$400 million over six years, starting in 2021-22, in support of a Pan-Canadian Genomics Strategy. This funding would provide \$136.7 million over five years, starting in 2022-23, for mission-driven programming delivered by Genome Canada to kick-start the new Strategy and complement the government's existing genomics research and innovation programming.

These investments will help cement Canada's position as a world leader in research and innovation, building a global brand that will attract talent and capital for years to come

For more details, please see the Building the Economy of the Future backgrounder.

Helping Employers Train and Recruit Workers

Certain sectors like health, clean tech, and construction have grown and are struggling to find workers with the right skills to fill jobs. The government is taking action to help employers train and reskill people and help the workforce grow and meet demand. To help Canadians gain skills for good jobs in growing sectors:

- Budget 2021 proposes to provide \$960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions

Program. Working primarily with sector associations and employers, funding would help design and deliver training that is relevant to the needs of businesses, especially small and medium-sized businesses, and to their employees. This funding would also help businesses recruit and retain a diverse and inclusive workforce.

This investment will help connect up to 90,000 Canadians with the training they need to access good jobs in sectors where employers are looking for skilled workers.

Supporting Business Investments

For Canada's economic recovery to take root, businesses will need to invest in new technologies and move forward with capital projects. Building on the significant tax incentives introduced in the 2018 *Fall Economic Statement*, additional support is needed to further boost business investments that will create jobs today and in the future.

- Budget 2021 proposes to allow immediate expensing of up to \$1.5 million of eligible investments by Canadian-controlled private corporations made on or after Budget Day and before 2024. Eligible investments will cover over 60 per cent of capital investments typically made by Canadian-controlled private corporations.