

Young Canadians

BACKGROUND

BUDGET
2021

Young people were among the hardest and fastest hit when the pandemic struck, experiencing more job losses than any other age demographic. They have also experienced the worst decline in mental health of any age group. Young Canadians must be at the centre of Canada's recovery not only to help them rebound today, but to invest in their future success and the future success of our economy

Budget 2021 builds on Canada's investments in youth with over \$5.7 billion over the next five years to help young Canadians pursue and complete their education, and to create 215,000 new job skills development and work opportunities. It also works towards a green recovery and fights against climate change, benefitting today's and tomorrow's youth. (For more details, please see the Healthy Environment backgrounder).

Since the start of the pandemic, the government has had young people's backs, providing over \$7.4 billion to support young Canadians through this difficult time. The Government of Canada's response to the current crisis represents the largest ever investment in young Canadians—totaling \$13.1 billion over six years. This represents one of the largest youth support packages from around the world. Canada's growth and prosperity well into the future depends on new opportunities for young people today.

Canada Student Financial Assistance

Education is the smartest investment anyone can make. To ease new grads into working life and make sure they are not prematurely burdened by loan repayments, Budget 2019 made the six-month grace period after leaving studies interest free. And during the pandemic, the government imposed a six-month moratorium on all student loan repayment, and committed to suspending interest on student loans for one year.

- Building on these investments, Budget 2021 proposes to invest \$4.1 billion to make student debt easier to pay down, and to provide direct support to students with the greatest need. This includes:

- **Waiving Interest on Student Loans** for an additional year, representing savings for the approximately 1.5 million Canadians repaying student loans
- **Enhancing Repayment Assistance** so that nobody earning \$40,000 per year or less will need to make any payments on their federal student loans, and so that federal student loan payments never amount to more than 10 percent of household income.
- **Doubling of the Canada Student Grants** for two additional years, providing an additional \$2,600 on average of non-repayable aid to the 580,000 students who rely on federal grants and loans. This will effectively cover 90 per cent of the average undergraduate tuition in Canada for low-income students.
- **Extending disability supports** for recipients of student financial assistance whose disabilities are persistent or prolonged, but not permanent. This would provide about 40,000 recipients annually with access to up to \$22,000 in grants, supports, and specialized repayment assistance.

Provinces and territories that do not participate in the Canada Student Loans Program will continue to receive equivalent compensation from the Government of Canada for their own student financial assistance programs.

Supporting Vulnerable Children and Youth During the Recovery

COVID-19 has made life especially difficult for students at risk of dropping out of school. These students rely on local after-school programs for tutoring, counselling, and other social supports that help them stay in school, graduate on-time, and access post-secondary education.

- Budget 2021 proposes to provide \$118.4 million to conduct a two-year pilot expansion of 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.

Helping youth and students connect with employers

Young Canadians have seen more job losses due to COVID-19 than any other age demographic. This not only deprives them of income, but can also lead to long-term consequences by disrupting important experiences in the crucial early years of their working lives.

- To ensure youth and students can access valuable job skills and experience, Budget 2021 is proposing to invest \$721 million over the next two years to help connect them with employers and provide them with quality job opportunities. This includes:
 - Supporting 50,000 (an increase of 20,000) work-integrated learning opportunities for young people in 2021-22 for post-secondary students through the **Student Work Placement Program**, while increasing the wage subsidy available for employers to 75 per cent, up to \$7,500 per student and increasing employers' ability to access the program.
 - Supporting over 7,000 additional job placements through the **Youth Employment and Skills Strategy**. This will make it easier for young people to get good jobs, and better meet the needs of vulnerable youth facing multiple barriers to employment. 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.
 - Funding approximately 75,000 new job placements in 2022-23 through the **Canada Summer Jobs Program**. In total, the program will support around 220,000 summer jobs over the next two years.

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.

- 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.

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 up-front 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.

Canada Digital Adoption Program

The pandemic has hastened the economy's digital transformation as companies, workers, and consumers conduct more and more business online.

- To fuel the recovery, jobs, and growth, the government is launching the Canada Digital Adoption Program, which will help small- and medium-sized businesses adopt new technologies and digitize to meet customer needs and stay competitive. The program will match businesses with digital trainers and in so doing create training and work opportunities for as many as 28,000 young people.

Teaching Kids to Code

The CanCode program helps young people gain coding and digital skills needed to succeed in a 21st century economy. It provides training support for their teachers, and has a special focus on reaching young people who are traditionally underrepresented in science, technology, engineering and mathematics, such as girls and Indigenous youth.

- Budget 2021 proposes to provide \$80 million over three years, starting in 2021-22, to help CanCode reach 3 million more students—with an even greater focus on underrepresented groups—and 120,000 more teachers.

With more opportunities to acquire and develop digital skills, young Canadians—from kindergarten to grade 12—will have a head start in building the skills they need for good jobs in the future.

Supporting the Mental Health of Canadians Those Most Affected by COVID-19

Young people have seen the greatest decline in good mental health compared to pre-pandemic levels.

- Budget 2021 proposes to provide \$100 million over three years, starting in 2021-22, 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 peoples, and racialized and Black Canadians.

The funding for the Kids Help Line has been extended into 2021-22 to ensure that it can continue to deliver counselling services to youth during the pandemic.

Providing High-quality Education for First Nations Students

A high-quality education is the foundation of success, which every child growing up in Canada deserves no matter where they live. Investing in children's education is an important part of the government's plan to build long-term economic resilience. In 2019, the federal government implemented a new, co-developed policy and funding approach to better support the needs of First Nations students on reserve.

- To invest in the future of First Nations children and continue to support this new approach, Budget 2021 proposes to invest \$1.2 billion over five years, and \$181.8 million ongoing.

Supporting Indigenous Post-secondary Education during COVID-19

The pandemic continues to affect Indigenous post-secondary students and institutions. The federal government knows that young people need support to get through this crisis so they can complete their education and succeed in their chosen fields.

- Budget 2021 proposes to provide \$150.6 million over two years, starting in 2021-22, to support Indigenous students through the Post-Secondary Student Support Program and the Inuit and Métis Nation Post-Secondary Education Strategies. This support would help offset lost income that many Indigenous students rely on to pay for tuition, books, housing, and other living expenses.
- Budget 2021 also proposes to provide \$26.4 million, in 2021-22, 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.

Supporting Community Service Organizations

The charity and non-profit sector has been significantly affected by the pandemic. Since the pandemic began, community service non-profit and charitable organizations have struggled to provide the fitness, children's programs, seniors programs, and community building projects that Canadians rely on.

- Budget 2021 proposes to provide \$400 million in 2021-22 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.

Fighting Climate Change and Protecting Environment

A sustainable, long-term recovery demands that we look far into the horizon.

- Budget 2021 proposes to provide \$17.6 billion towards a green recovery to create jobs, build a clean economy, and fight and protect against climate change. By investing in climate action now, we can create good middle class jobs today, and create a cleaner and safer future for the next generation. These include investments to:
 - Reduce the pollution from the fuels we use in the transportation and production of goods, by increasing Canada's production of low carbon fuels, including biofuels.
 - Spur the development of innovative new technologies to reduce pollution in heavy industry.
 - Help Canadians have greener homes and reduce their carbon footprint.
 - Conserve up to 1 million square kilometers more land and inland waters to achieve Canada's 25 per cent protected area by 2025 target.
 - Create new opportunities for the economy of the future.

These investments and other actions put Canada on a track to exceed its Paris target and reduce greenhouse gas emissions 36 per cent by 2030 and put Canada on a path to reach net-zero emissions by 2050.