

Department of Finance Canada

Creating Good Middle Class Jobs

Backgrounder

April 7, 2022

Canada's economy has recovered 112 per cent of the jobs lost at the outset of the pandemic. Our unemployment rate in February 2022 was at 5.5 per cent, which is lower than it was prior to the pandemic. Despite our unemployment rate hitting near-record lows, some businesses are still struggling to find workers. This is a problem in Canada and around the world, but a strong and prosperous economy requires a diverse, talented, and constantly growing workforce. And yet, too many Canadians still face barriers to finding meaningful and well-paid work.

In Budget 2022, the government is putting in place important measures that will help address these issues and meet the needs of our workers, our businesses, and the Canadian economy so that it can keep growing stronger for years to come. Some of these measure include:

Supporting Early Learning and Child Care

In Budget 2021, the federal government made an historic and transformative investment of \$30 billion over five years in the Canada-wide Early Learning and Child Care.

As the federal government worked with provinces and territories on the completion and implementation of agreements, many raised that infrastructure funding was a challenge for non-profit and public providers where real estate costs were too high, or where building materials are too expensive.

- In response to requests from provinces and territories, and to support the implementation of the Canada-wide early learning and child care system, Budget 2022 proposes to provide \$625 million over four years, beginning in 2023-24, for an Early Learning and Child Care Infrastructure Fund. This funding will enable provinces and territories to make additional child care investments, including the building of new facilities.

Labour Mobility Deduction for Tradespeople

Canada is growing, and that means more homes, roads, and important infrastructure projects need to be built. Improving labour mobility for workers in the construction trades can help to address labour shortages and ensure that important projects can be completed across the country.

- Budget 2022 proposes to introduce a Labour Mobility Deduction, which would provide tax recognition on up to \$4,000 per year in eligible travel and temporary relocation expenses to eligible tradespersons and apprentices. This measure would apply to the 2022 and subsequent taxation years.

Canada's Ambitious Immigration Plan

Canada welcomed more than 405,000 new permanent residents in 2021— more than any year in Canadian history. To meet the demands of our growing economy and help make our immigration system more responsive to Canada's economic needs and humanitarian commitments, the federal government's 2022-24 Immigration Levels Plan—tabled in February 2022—sets an even higher annual target of 451,000 permanent residents by 2024. The majority will be skilled workers, which will play an important role in addressing persistent labour shortages.

- To support the processing and settlement of new permanent residents to Canada as part of Canada's Immigration Levels Plan—including the government's increased commitment to Afghan refugees—the government has committed \$2.1 billion over five years and \$317.6 million ongoing in new funding.

An Employment Strategy for Persons With Disabilities

Persons with disabilities should be fully included in Canada's economic recovery, and despite being ready and willing to work, their employment rates are much lower than those of Canadians without disabilities—59 per cent versus 80 per cent, according to the 2017 Canadian Survey on Disability.

- Budget 2022 proposes to provide \$272.6 million over five years to support the implementation of an employment strategy for persons with disabilities through the Opportunities Fund, which will increase labour market participation by persons with disabilities and make workplaces more inclusive and accessible.

Doubling the Union Training and Innovation Program

The skilled trades are vital to the future of the Canadian economy and offer workers rewarding careers in fields ranging from carpentry to electricians and boilermakers.

- Budget 2022 proposes to provide \$84.2 million over four years to double funding for the Union Training and Innovation Program, which would each year help 3,500 apprentices from underrepresented groups—including women, newcomers, persons with disabilities, Indigenous peoples, and Black and racialized Canadians—begin and succeed in careers in the skilled trades through mentorship, career services, and job-matching.

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