

Department of Finance Canada

Investing to Make Life More Affordable

Backgrounder

April 7, 2022

Making life more affordable is one of the government's primary goals in Budget 2022. In the long run, this will require addressing long-standing, structural challenges to deliver meaningful improvements in living standards for more Canadians.

In the near term, Canadians can be confident that they have access to support when they need it most. Since 2015, the government has delivered real improvements to make Canadians' lives more affordable, including:

- Making an historic investment of \$30 billion over five years to build a Canada-wide early learning and child care system in collaboration with provinces, territories, and Indigenous partners. By the end of 2022, child care fees will have been reduced by an average of 50 per cent, and by 2025-26, the average child care fee for all regulated child care spaces across Canada will be \$10 a day;
- Introducing the Canada Child Benefit, which will provide up to \$6,833 per child to Canadian families this year, and has helped 435,000 children out of poverty since 2015;
- Expanding the Canada Workers Benefit to support an estimated one million additional Canadians, which could mean \$1,000 more per year for a full-time, minimum-wage worker;
- Increasing the federal minimum wage to \$15.55 per hour;
- Implementing a 10 per cent increase to the maximum Guaranteed Income Supplement (GIS) benefit for single seniors, and reversing the announced increase to the eligibility for Old Age Security (OAS) and GIS back to age 65 from 67;
- Providing 10 days of paid sick leave for all federally regulated private sector employees;
- Increasing Climate Action Incentive payments, which puts more money in the pockets of eight out of every 10 people in the provinces where the federal system applies, and means a family of four will receive, for 2022-2023, \$745 in Ontario, \$832 in Manitoba, \$1,101 in Saskatchewan and \$1,079 in Alberta; and,
- Making post-secondary education more affordable by waiving interest on Canada Student Loans until March 2023, and enhancing repayment assistance to ensure that no person making \$40,000 or less will need to make payments on their federal student loans going forward.

Budget 2022 also includes a range of measures that will help to bring down the cost of living, including:

- \$5.3 billion over five years to provide dental care for Canadians with family incomes of less than \$90,000 annually, starting with under 12 years-olds in 2022, expanding to under 18 years-olds, seniors and persons living with a disability in 2023, with full implementation by 2025;
- Doubling support provided through the First Time Home Buyers' Tax Credit from \$750 to \$1,500;
- Introducing a Multigenerational Home Renovation Tax Credit, which provides up to \$7,500 in support for constructing a secondary suite; and,
- \$475 million in 2022-23 to provide a one-time, \$500 payment to those facing housing affordability challenges.

Budget 2022 also includes a comprehensive plan to make housing more affordable, focused on putting Canada on the path to double our housing construction over the next decade, while introducing measures to help Canadians buy their first home, protect renters and buyers, ban foreign buyers and curb the speculation that can make it difficult for Canadians to buy homes of their own.

For more details about the government's plan, please see the [Making Housing More Affordable](#) backgrounder.

Key government benefits are also adjusted for inflation over time, including, among others, OAS, GIS, the Canada Child Benefit, and the GST Credit.

Budget 2022 also redoubles the government's focus on expanding Canada's economic capacity with investments to create jobs and boost growth through innovation and skills development; to facilitate the transition to a low-carbon economy by encouraging private sector investments and targeting major sources of emissions; drive innovation and business growth; and make our cities more competitive by expanding the supply of housing. These investments will provide the foundation for boosting Canada's long-term growth and creating good paying jobs— the best way to make life affordable for years to come.

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