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EQUALITY GROWTH

A Strong Middle Class



Canada's greatest strength is the diversity of our people. To succeed in a rapidly changing world, our diversity needs to be reflected in our economy, giving every Canadian a real and fair chance at success. Although Canadian women today are among the best educated in the world, they earn less than men, are less likely to participate in the labour market than men, and are more likely to work part time.

Closing these gaps and giving women equal opportunities to succeed won't just ensure strong economic growth—it will also encourage a more inclusive dialogue on the questions that will shape our future, and improve the quality of life of our families and communities. Simply put, when women have the support and opportunities to fully contribute to Canada's economy, the entire economy does better.

In Budget 2018, the Government is taking the next steps in its plan to create good, well-paying jobs, strengthen the middle class, and grow the economy. By promoting equality, providing greater opportunity for people working hard to succeed, equipping Canadians with the skills for tomorrow's economy, and promoting fundamental fairness for all Canadians, the Government is empowering everyone—women and men in all their diversity—to help build a stronger Canada that benefits us all.

MEASURES

Because of the hard work, ingenuity and creativity of Canadians, unemployment is nearing record lows, the economy has created nearly 600,000 new jobs over the last two years, and last year Canada led the Group of Seven (G7) countries in economic growth. Through Budget 2018, the Government is building on this achievement with concrete measures that will create an even stronger economy—one where all Canadians have the opportunity to succeed and make the most of their talents.

MORE SUPPORT FOR PEOPLE WHO NEED IT

Introducing the New Canada Workers Benefit

Canadians working hard to join the middle class deserve to have their hard work rewarded with greater opportunities for success. In Budget 2018, the Government is introducing the new Canada Workers Benefit (CWB), a tax benefit that will allow low-income workers to keep more of their paycheque. Building on the former Working Income Tax Benefit, the new CWB

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will encourage more people to join the workforce, and offer real help to more than two million Canadians who are working hard to join the middle class, raising around 70,000 Canadians out of poverty. Starting in 2019, the CWB will increase both maximum benefits and the income level at which the benefit is phased out. As a result, a low-income worker earning \$15,000 would receive up to almost \$500 more from the CWB in 2019 than in 2018 to invest in the things that are important to them. Everyone who can benefit from the new CWB will benefit when they file their taxes. As a result, an estimated 300,000 additional low-income workers will receive the new CWB for the 2019 tax year. Combined with previous enhancements, the Government is investing almost \$1 billion in new funding per year in helping low-income workers get ahead.

Strengthening the Canada Child Benefit

By giving more help to the families that need it most, including a large number of families led by single mothers, the Canada Child Benefit (CCB) is helping them invest in the things that give children a good start in life—like a safe place to live, healthy food, music lessons or sports camps. Over 3.3 million families are receiving more than \$23 billion in annual CCB payments. A single mom of two children aged 5 and 8 with a net income of \$35,000 in 2016 is receiving \$11,125 in tax-free CCB payments in the 2017–18 benefit year—\$3,535 more than she would have received under the previous child benefit system. Overall, single mothers are receiving roughly \$1.8 billion more in benefits annually under the CCB. With this support, the CCB has helped lift hundreds of thousands of children out of poverty. As announced in the 2017 Fall Economic Statement, the Government will strengthen the CCB to make sure it keeps up with the rising cost of living, starting in July 2018.

Improving Access to the Canada Child Benefit and Other Benefits for Indigenous Communities

Through Budget 2018, the Government is taking action to help ensure that everyone who qualifies for support receives it. The Government recognizes that Indigenous communities—and in particular remote and northern Indigenous communities—face distinct barriers to accessing federal benefits such as the CCB. To close this gap, with Budget 2018 the Government will expand outreach efforts to all on-reserve, remote

and northern Indigenous communities, and pilot outreach activities for urban Indigenous communities, so that Indigenous Peoples are better able to access the full range of federal social benefits, including the CCB.

ADDRESSING THE GENDER WAGE GAP

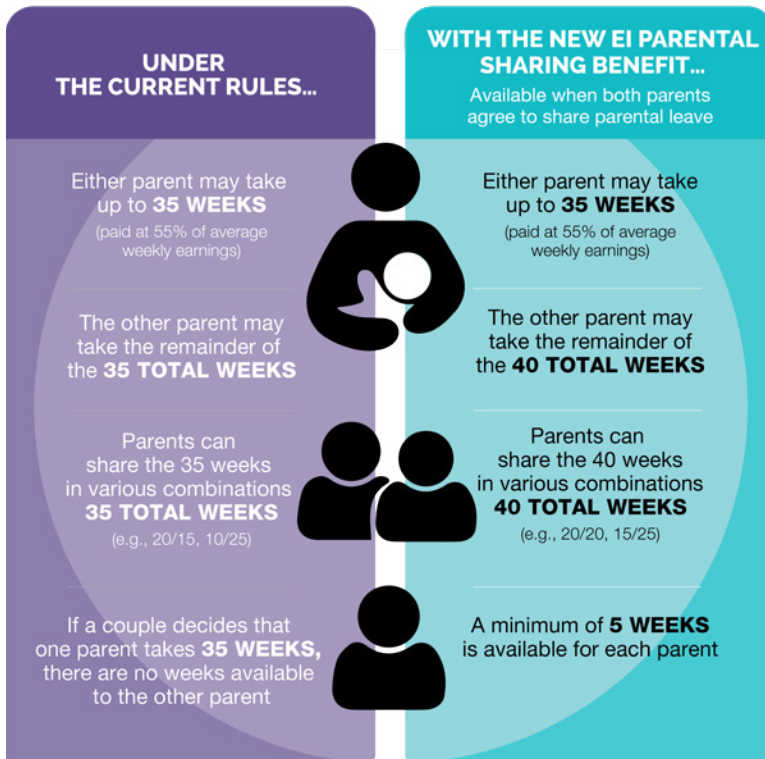
Today, women earn 31 per cent less than men on an annual basis, and on average about 12 per cent less in the hourly wage paid for full-time work. Studies show that by closing the wage gap between women and men, Canada's economic growth would jump significantly. Through Budget 2018, the Government of Canada is leading by example and putting in place measures to address the gender wage gap by shining a light on pay practices in the federally regulated sector and moving forward with a proactive pay equity regime that will be tabled later this fall. This robust pay equity regime will cover businesses and organizations operating within the federally regulated sector, applying to around 1.2 million individuals. It will include strong oversight and enforcement, require regular maintenance, and take an innovative approach to ensure that on average, women and men receive the same pay for work of equal value.

A NEW PARENTAL SHARING BENEFIT

For many Canadians, being a parent and raising a family is the most important part of their lives. Employment Insurance (EI) maternity and parental benefits offer vital income support to parents during the critical period in early childhood when they need to take time off work to care for their children. Through Budget 2018, the Government is proposing a new EI Parental Sharing Benefit to support equality in the home and the workplace by providing an additional five weeks of benefits when both parents agree to share parental leave. This measure would also provide greater flexibility—particularly for mothers—to return to work sooner, if they so choose, knowing their family has the support they need.

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EI PARENTAL SHARING BENEFIT



EXTENDED PARENTAL BENEFITS

Equivalent rules would apply to EI extended parental benefits with 61 weeks as the limit for one parent and up to 69 weeks available in total (paid at 33% of average weekly earnings).

A NEW GENDER RESULTS FRAMEWORK

To better support equality of opportunity, the Government is introducing a new Gender Results Framework to guide future decision-making and to measure our progress in fostering an economy that works for everyone. The Framework has shaped a broad package of new investments in Budget 2018 that better support women and girls, remove barriers to their success and empower them with the skills, education and resources to fully realize their potential.

SKILLS FOR TOMORROW'S ECONOMY

Canadians are adapting to our rapidly evolving economy by embracing learning as a lifelong commitment. The Government is supporting their efforts by ensuring they have the resources they need to prepare for, find and keep good jobs. Through Budget 2018, the Government is doubling

the work placements for youth through the Canada Summer Jobs program in 2019–20, providing new funding to modernize the Youth Employment Strategy, and introducing a new Apprenticeship Incentive Grant for Women, a five-year pilot project providing up to \$6,000 over two years to women entering male-dominated Red Seal trades. This, in combination with the Apprenticeship Completion Grant, will provide up to \$8,000 to women completing their apprenticeship training in those often better-paid trades. Underrepresented groups, including women, Indigenous peoples, persons with disabilities, members of visible minorities and newcomers, would also benefit from a new Pre-Apprenticeship Program that would help them explore the trades, gain work experience, make informed career choices and develop the skills needed to succeed.

MAKING EMPLOYMENT INSURANCE MORE RESPONSIVE AND EFFECTIVE

The Employment Insurance (EI) program is an important source of support for Canadian workers, providing temporary income to people who have lost their job or have to be absent from work for an extended period of time. In addition to the new EI Parental Sharing Benefit, Budget 2018 proposes a number of measures to ensure EI is there to help Canadians when they need it most. The Government will extend Working While on Claim provisions to maternity and sickness benefits so that mothers and those dealing with an illness or injury have greater flexibility to stage their return to work and keep more of their EI benefits. The Government will also work with key provinces to help workers in seasonal industries most affected by fluctuations in eligibility for EI from year to year and who are unable to find alternative employment in between seasons. This will take the form of both short-term support starting in 2017–18, as well as pilot projects that will be developed and implemented in partnership with provinces over the next two years.

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ENHANCING TAX FAIRNESS

A fair tax system is the foundation for a stronger middle class and a growing economy, giving Canadians the confidence that their hard work will be rewarded and supporting investments in new and better opportunities that benefit everyone. The Government has taken decisive action towards a fairer tax system by raising taxes on the wealthiest one per cent while cutting taxes for the middle class, providing nine million Canadians with more money to save or spend on things they need. At the same time, Budget 2018 continues to advance efforts to crack down on overseas tax evasion.

SUPPORTING SMALL BUSINESSES WHILE ENSURING TAX FAIRNESS

Canadian small businesses have more money to invest and grow thanks to the Government's proposed reduction of the small business tax rate to 10 per cent, effective January 1, 2018, and to 9 per cent, effective January 1, 2019. This tax reduction will provide businesses with more money to invest, grow and create jobs. Budget 2018 takes the next steps to ensure that the low rate is working to help businesses grow, not give a tax advantage to a very small number of wealthy Canadians.

STRENGTHENING TRADE

Middle class growth and economic success depend not only on the hard work of Canadians, but also on the opportunities created by strengthening our trade connections in an increasingly globalized world. Through Budget 2018, the Government is committed to deepening Canada's trade relationships with modern, progressive free trade agreements, including a firm commitment to advancing a new and modernized North American Free Trade Agreement, maximizing new opportunities offered by the Canada-European Union Comprehensive Economic and Trade Agreement, the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and the pursuit of new relationships with other large and emerging markets.



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