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# Budget 2019: Investing in the Middle Class to Grow Canada's Economy

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Department of Finance Canada

Since 2015, hard-working Canadians have proven what has long been understood: a strong economy starts with a strong middle class.

Nearly four years ago, Canadians chose a plan to invest in the middle class and offer real help to people working hard to join it.

Investing in the middle class means investing in people—with more help for those who need it, and less for those who don't. It means building a better Canada—a stronger, more connected country—and it means better opportunities for people today, and the promise of a better future, even in a world of constant change.

The Government's investments in the middle class are paying off. Canada's economy is strong and growing, more Canadians are working, and families have more money to save or spend each month.

Building on this momentum, Finance Minister Bill Morneau today tabled Budget 2019—*Investing in the Middle Class*.

With Budget 2019, the Government is continuing to invest to grow the economy for the long term, in a fiscally responsible way—ensuring that Canada's federal debt-to-GDP ratio continues on a steady downward track.

In Budget 2019, the Government of Canada proposes to:

- **Make homeownership more affordable for first-time buyers** by implementing a First-Time Home Buyer Incentive, a shared equity mortgage program that would reduce the mortgage payments required to own a home; and by providing greater access to their Registered Retirement Savings Plan savings to buy a home.
- **Help workers gain new skills** with the creation of the new Canada Training Benefit, a benefit that will give workers money to help pay for training, provide income support during training, and, with the cooperation of the provinces and territories, offer job protection so that workers can take the time they need to keep their skills relevant and in-demand.



- **Prepare young Canadians for good jobs** by helping make education more affordable through lowered interest rates on Canada Student Loans, making the six-month grace period interest-free after a student loan borrower leaves school, and creating up to 84,000 new student work placements per year by 2023-24.
- **Help Canadians with the cost of prescription drugs** by taking steps towards a national pharmacare plan, starting with creating a new Canadian Drug Agency that could lower Canadians' drug costs by as much as \$3 billion per year, developing a national formulary for prescription drugs, and a national strategy for high-cost drugs for rare diseases.
- **Support low-income Canadian seniors who choose to stay in the workforce** by enhancing the Guaranteed Income Supplement earnings exemption so that they can effectively keep more of their hard-earned income.
- **Support municipalities' local infrastructure priorities** by proposing a one-time top-up of \$2.2 billion through the federal Gas Tax Fund that will double the Government's commitment to municipalities in 2018-19, and make sure communities have the funds they need to pay for crucial repairs and other important local projects.
- **Give all Canadians access to high-speed internet** so all Canadian homes and businesses have access to 50 Mbps high-speed internet no matter where they live—including people and businesses in rural, remote and northern communities.
- **Lower Canadians' energy costs** by partnering with the Federation of Canadian Municipalities to increase energy efficiency in residential, commercial and multi-use buildings, and by introducing a new incentive for buying electric battery or hydrogen fuel cell vehicles with a manufacturer's suggested retail price under \$45,000.
- **Advance reconciliation with Indigenous Peoples** through new measures to help improve the quality of life for First Nations, Inuit, and Métis Peoples in Canada and advance self-determination with investments to improve water quality; preserve, revitalize, and promote Indigenous languages; improve the quality of education and health care for Indigenous children in a culturally relevant way; and promote Indigenous entrepreneurship and business.

With the new investments in Budget 2019, combined with lower taxes, more money in their pockets each month and more good jobs, there is good reason for middle class Canadians to feel more confident about what the future holds for themselves and their families.

### Quote

“Nearly four years ago, Canadians chose a plan that invested in the things that matter most to them: good, well-paying jobs; more help for families with the high cost of living; strong, connected communities; and better opportunities for our children and grandchildren. These are Canadians' priorities, and they are ones our Government shares. Budget 2019 is the next step in our plan to invest in the middle class and build a strong economy that works for the middle class—and for all Canadians.”

*Bill Morneau, Minister of Finance*

## Quick Facts

- Over the past four years, the Government has focused on strengthening and growing the middle class, and offering real help to people working hard to join it, so that everyone has a real and fair chance at success.
- Under the Government's plan, hard-working Canadians have created over 900,000 new jobs, most of them full-time, driving the unemployment rate to its lowest levels in more than 40 years. This includes especially strong employment gains by women.
- The Canada Child Benefit is helping families with the high cost of raising children by putting more money in the pockets of nine out of ten Canadian families, and helping to lift nearly 300,000 children out of poverty.
- More than nine million Canadians are benefitting from the Government's middle class tax cut, which gives them more money to save or spend on the things they need.
- An enhanced Canada Pension Plan, which will raise the maximum CPP retirement benefit by up to 50 per cent over time, is giving today's and future Canadian workers greater income security when they retire.
- Historic investments in infrastructure, including the National Housing Strategy which is helping more Canadians find a safe and affordable place to call home.

## Related Documents

- Budget Plan
- Budget Speech
- Backgrounders
- Gender Book
- Youth Book
- Fiscal Monitor (Financial Results for January 2019)

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