

2024 Federal Budget

Main Measures Affecting the World of Work

Chrystia Freeland, Minister of Finance and Deputy Prime Minister of Canada, tabled her fourth budget on April 16th. Here are the main points affecting the world of work more directly.

General outline

- With forecast revenues of \$498 billion (7% increase) and forecast expenses of \$538 billion (8% increase), a **\$40 billion deficit** is forecast for 2024-2025 (1.3% of Canadian GDP).
- The government plans to raise approximately \$4 billion per year by increasing taxes on capital gains of individuals and corporations.
- Significant deficits are forecast for the coming years and the government did not present a plan to return to a balanced budget. Approximately \$156 billion will be added to the debt over the next 5 years.
- While debt service absorbed \$25 billion in 2019-2020, the increase in debt and interest rates means that the budget this year provides \$54 billion for the same item of expenditure, which is the equivalent of all the revenue generated by the GST. The debt/GDP ratio is 42%.

Labour market: Snapshot provided in the budget documents

- Hiring has slowed and the number of vacancies has decreased in recent months. The unemployment rate is now 6.1%.
- Wage growth has exceeded inflation for 13 months now. In general, real wages (wages after accounting for inflation) are now higher than they were immediately before the pandemic. Overall, real average weekly earnings have increased by 4.6% since 2019.

- The labor force participation rate of working-age women reached a record high of 85.4%, a result that the government attributes, among other things, to the expansion of the supply of affordable childcare services.

1. Budget measures

Innovation and productivity – The budget provides for expenditures totaling **\$2.4 billion related to artificial intelligence**. This financing is broken down as follows:

- \$2 billion over five years to support research and businesses in accessing the computing power they need to be competitive.
- \$200 million over five years to support the commercialization of new AI technologies and accelerate the adoption of AI in sectors such as agriculture, clean technology, health care and manufacturing (support provided through regional development agencies).
- \$100 million over five years for the National Research Council Canada's AI assistance program helping SMEs use AI to increase their productivity.
- \$50 million over four years, starting in 2025-2026, to support workers who could be affected by the implementation of AI, such as those in the creative industries (support provided through the sectoral workforce solutions program, which will provide support for the acquisition of new skills to workers in potentially affected sectors).

Skilled trades in the residential construction sector: \$100 million over two years

- **Apprenticeship Service** – The budget provides \$90 million to help create first-year apprenticeship positions in designated Red Seal trades (\$5,000 grant to help pay the initial costs of 55,000 positions).
- **Outreach Program** – The budget provides \$10 million to encourage people to explore and prepare for careers in skilled trades.

Employer-led training – The budget provides funding for:

- \$50 million over four years to provide professional training to workforces in sectors disrupted by AI.
- \$10 million over two years to train more early childhood educators, supporting the expansion of childcare services.

Foreign credentials recognition program – \$50 million over 2 years to Employment and Social Development Canada to support the recognition of credentials in two sectors of activity: construction and health.

Summer jobs, internships and employment support for young people – The budget provides \$351 million in 2025-2026, including:

- **Canada Summer Jobs Program:** \$201 million.
- **Youth employment and skills strategy:** \$151 million for internships and employment support measures.

Postsecondary studies: specific support for students

- **Financial support** – \$1.1 billion increase in the interest-free loan program (682,000 people affected for the coming school year) and scholarships (587,000 people affected). Concretely, the government plans to increase support in the following way:
 - **interest-free loans:** \$300 per week (compared to \$210 currently).
 - **full-time scholarships:** \$4,200 per year (compared to \$3,000 currently).
- **Graduate scholarship program** – \$825 million over five years to increase the number of scholarship recipients and the amount of scholarships paid to master's, doctoral and post-doctoral students.
- **Work Internship Program** – \$208 million to Employment and Social Development Canada in 2025-2026 to create more work placements.

Support for First Nations

- **Postsecondary Student Assistance Program** – Funding of \$243 million over three years to increase access.
- **First Nations Labor Market Information Survey and Skills Inventory Initiative** – \$4.4 million over two years to continue this initiative which aims to promote participation in the labor market.

Additional employment insurance benefits for seasonal workers – \$263.5 million over four years are planned to extend temporary support measures for people who hold seasonal jobs in 13 regions of Atlantic Canada and Quebec.

Support for housing construction – Various measures to support the construction of almost 4 million homes by 2031, potentially helping people who wish to live closer to their place of work to do so.

2. Legislative measures announced

Right to disconnect: upcoming changes to the Canada Labor Code

The government announces that it wants to amend the Canada Labor Code to require employers in federally regulated sectors to implement “a policy on the right to disconnect limiting work-related communications outside of working hours.” Starting this year, the Labor Program of Employment and Social Development Canada will receive \$3.6 million over five years to carry out these legislative changes.

Employment equity: follow-up to the report

To follow up on the recommendations of the Task Force on the Review of the Employment Equity Act, which tabled its [final report](#) a year ago, the government is taking advantage of the budget to announce its intention to amend the law, in particular “by expanding the groups targeted by employment equity”. As a reminder, CRHA Canada participated in the consultations conducted by this working group two years ago ([submission of a brief](#)).

Misclassification of workforce: enforcing the law

The budget documents mention that data exchange agreements required to facilitate law enforcement inspections will be concluded between the Canada Revenue Agency and Employment and Social Development Canada.

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For more information, please consult the [official page of this budget](#).