Federal spending on benefits for families with children up more than 68% since 2014/15, financed entirely by deficits

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For Immediate Release

VANCOUVER—Federal spending on benefits for eligible families with children through the Canada Child Benefit increased by 68.5 per cent from fiscal year 2014/15 to 2019/20—financed entirely by borrowing, finds a new essay released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Today, parents receive cash transfers from Ottawa that the next generation, namely their own children, will pay for in the future,” said Jason Clemens, executive vice-president of the Fraser Institute and co-author of Financing the Canada Child Benefit, part two of an essay series on the Canada Child Benefit.

In 2014/15, the federal government (under Stephen Harper’s Conservatives) increased the coverage and benefits for two programs providing support to families with children. After winning election in 2015, the Trudeau government eliminated the existing programs and created the Canada Child Benefit (CCB), which dramatically increased the spending on the program.

For instance, the planned spending under the Harper government for the then-existing programs in 2019-20 was $18.7 billion. After the Trudeau reforms, the actual spending on the new CCB reached $24.1 billion, a near 29 per cent increase.

However, unlike its predecessor, the Trudeau government has financed the increased spending through borrowing (i.e. budget deficits) whose costs will fall on future generations.

“Parents are receiving benefits today, in the form of monthly CCB payments, with the increased costs being deferred to their children,” Clemens said.

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