

UPDATE IN BRIEF

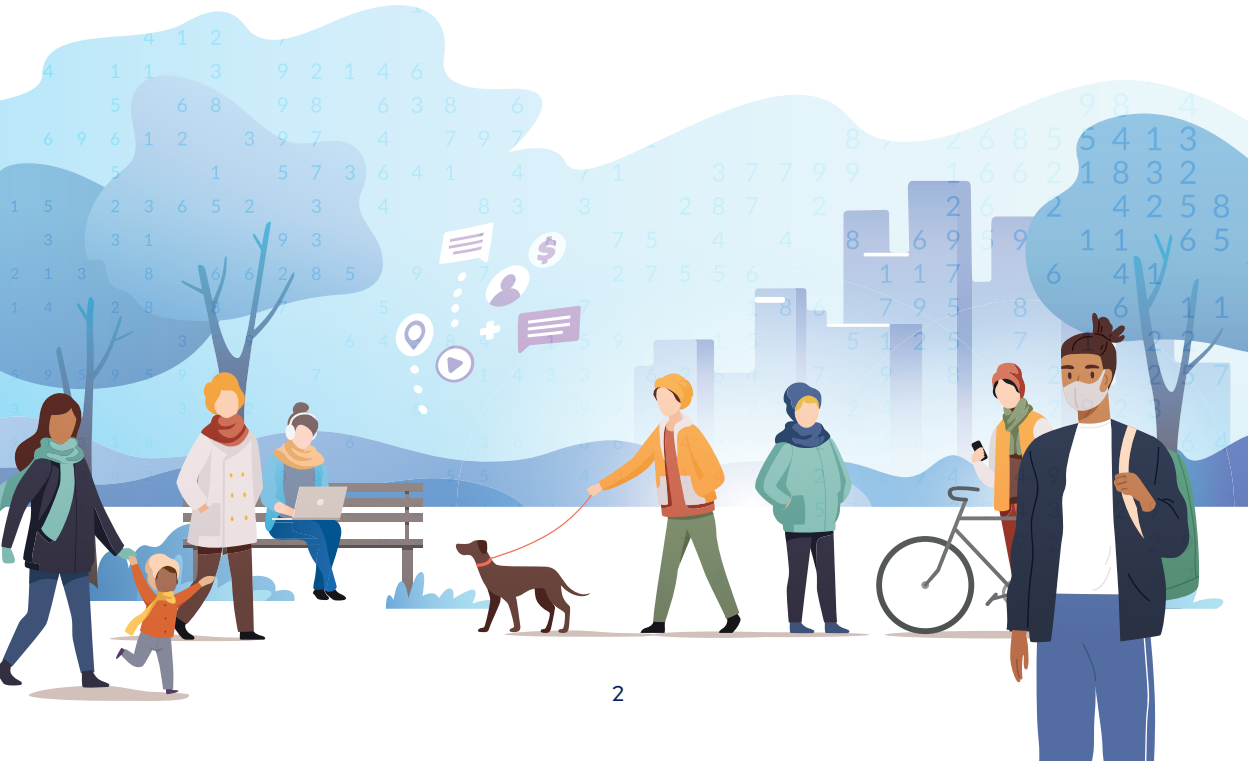
FALL 2021

Québec looks toward the future

Thanks to the significant engagement of Quebecers, which was reflected in the successful vaccination campaign, Québec's economy is seeing exceptional growth and its public finances are improving significantly.

The government can therefore start to take action by supporting families and seniors to help them cope with the rising cost of living.

The government is also pursuing its ambitious objectives for creating wealth and increasing Québec's economic potential by combatting the labour shortage and boosting productivity.





The *Update on Québec's Economic and Financial Situation* provides for additional initiatives of \$10.7B over five years, for a total of \$13.0B in government investments since the March 2021 budget, which are aimed at:

- Helping Quebecers cope with the cost of living (\$2.1B)
- Taking action to combat the labour shortage and stimulate economic growth (\$3.4B)
- Supporting families and helping communities (\$3.1B)
- Continuing efforts to strengthen the health care system (\$4.4B)



Helping Quebecers cope with the cost of living (\$2.1B)

\$1.8B to mitigate the cost of living increase

Extraordinary cost of living allowance

A single, lump-sum payment to 3.3 million low- and middle-income earners

- \$400 for couples
- \$275 for persons living alone
- \$200 for single persons living in shared accommodations



Doubling the senior assistance amount

Close to 709 000 low-income seniors will receive up to \$400 starting this year



Combined assistance of up to \$675 per senior

\$304M to help households access housing

Building 2 200 affordable housing units across Québec

Helping low-income households pay their rent



\$1.1B to enhance the tax credit for childcare expenses

Reducing the cost for families with a child attending a non-subsidized childcare service

As a result, a daily rate of \$40 will be comparable to the rate for a subsidized childcare service



Up to \$1 310 in savings for a family with an income between \$60 000 and \$100 000



Taking action to combat the labour shortage (\$2.9B)

Training, requalifying and attracting close to 170 000 workers in certain sectors within five years

- Health and social services (\$953M)
- Education (\$551M)
- Educational childcare services (\$213M)
- Engineering and information technology (\$1.1B)
- Construction (\$70M)





Stimulating economic growth

Accelerating business productivity growth (\$444M)



- Increasing funding for business investment projects (\$160M)
- Deploying the first innovation zones (\$100M)
- Supporting innovative projects in Québec (\$90M)
- Continuing to connect all Quebecers to high-speed Internet (\$94M)





Supporting families and helping communities (\$3.1B)

\$742M to support communities, including:

- \$150M for prevention measures and to implement the Québec strategy to combat gun violence
- \$21M to combat discrimination and racism
- \$17M to promote youth sports and recreational activities
- \$232M to prevent domestic violence and provide better support for victims



\$2.4B to support families¹

Completing the educational childcare services network

¹ This amount includes the enhancement of the tax credit for childcare expenses presented on page 5.





Continuing efforts to strengthen the health care system (\$4.4B)

Acknowledging the extra efforts of health care workers

Improving working conditions in the health care network

Bonuses of up to \$18 000



Enhancing services to the public and the safety of health care workers

An \$804M plan to reduce the surgery waiting list

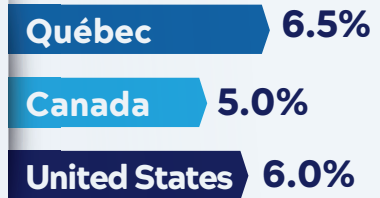




Stronger-than-forecast economic growth

Growth of 6.5% forecast for 2021

Higher than the growth forecast for Canada (5.0%) and the United States (6.0%)



Nominal GDP growth will stand at 10.8%

The standard of living gap with Ontario continues to close

The wealth gap in Ontario's favour narrowed from 16.4% in 2017 to 12.9% in 2021





A favourable budgetary outlook

Budgetary deficit of \$6.8B in 2021-2022, a decrease of \$5.4B from the forecast in the last budget

Reduction of the structural deficit to \$4.0B

The return to a balanced budget is still forecast by 2027-2028 and is based on:

- The government's commitment not to increase the tax burden
- The government's commitment to maintain quality public services, particularly in health care



In the coming years, the debt burden will continue to fall as a result of economic growth, an improvement in the financial situation and deposits in the Generations Fund

www.finances.gouv.qc.ca/update

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