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Post-Budget Focus Group Research – Spring 2024

Executive Summary

Prepared for Finance Canada

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Executive Summary

Background and objectives

Finance Canada commissioned Environics Research to conduct qualitative research among Canadians immediately after the 2024 federal budget was announced on April 16. The research objectives were to assess Canadians' awareness of and reaction to Budget 2024 and to explore reactions to specific measures announced, with a particular focus on housing measures.

Methodology

Environics Research conducted a series of 10 online focus groups between April 16 and 22, 2024. A total of 66 Canadians took part in these group discussions and provided their overall perspectives on Budget 2024, as well as their reactions to specific provisions contained in the budget. The online focus groups were conducted using the Zoom platform. Two groups were conducted in each of five regions (British Columbia, the Prairies, Ontario, Atlantic Canada, and Quebec), and were divided based on age cohort (18-34, 34-55 or 55+) and/or housing situation (i.e., prospective homebuyers, Canadians whose mortgage is up for renewal). The two Quebec sessions were conducted in French and the other eight sessions were conducted in English.

The 66 participants were all 18 years of age or over, and included range of age, education, and backgrounds. The groups lasted approximately 90 minutes and consisted of between five and seven participants (out of 8 people recruited for each group). Participants were each provided a \$100 honorarium.

Statement of limitations: Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as would be measured in a quantitative study. The results of this type of research should be viewed as indicative rather than projectable to the population.

Contract value

The contract value was \$129,893.50 (including HST). This includes a previous round of pre-budget focus groups reported on under separate cover.

Use of findings of the research. By gauging and analysing the opinions of Canadians, the Government of Canada gains insights into important policy areas related to the mandate of the department and related services. The information gained through this public opinion research will be shared throughout Finance Canada to assist it when establishing priorities, developing policies, and planning programs and services.

Key findings

A. Top of mind budget awareness and first reactions

Top of mind awareness of the budget varied by age cohort. Younger participants typically had very little or no spontaneous knowledge of the budget and the pre-budget announcements at all. Some noted that they get little news now that Canadian news stories are not carried on some social media sites. To the extent that younger participants had heard anything at all about the budget, they mentioned having heard something about housing or taxes on capital gains going up.

Middle aged and older participants were more likely to have heard about the budget through seeing clips on the news or through online sources and legacy media. The main things they had heard about included increased spending, housing measures, and additional tax on capital gains. There were some specific mentions of the 30-year amortization for mortgages and vague notions that the budget had a focus on housing. Many middle aged and older participants felt that the budget was aimed towards the younger generation.

B. Reaction to budget measures (excluding Housing)

Overall reaction to the seven non-housing budget measures presented to participants was largely positive. Most appreciated the goals implied by the measures, even if they were often quite sceptical of whether the stated initiatives would lead to the desired outcomes.

Some of the older participants felt that these budget measures might have been aimed more at the younger generation because of the emphasis on affordability and social policy. But younger participants themselves did not tend to see these budget measures as being aimed at them. They also tended to feel that the measures were well-intentioned but too little too late.

The items that were most often identified as top priorities were stabilizing the cost of groceries and health care agreements to improve primary care. This reflected the fact that the biggest concerns people have these days are the high cost of groceries and issues in the health care system regarding access to primary care and wait lists. However, some noted that the language used to describe some measures sounded vague and were wondering about the impact it would really have (e.g., what does “monitoring big grocers” mean, “does a new health care agreement actually mean anything”).

While the *National School Food Program* and the national pharmacare plans were less often identified as top priorities, participants still appreciated that these measures could address issues related to food costs and health care. In Quebec, a couple of participants wondered about potential overlap with existing provincial programs. Action on credential recognition for foreign health care workers also resonated well, though some were under the impression that this was already being addressed.

People liked the idea of cheaper internet or cell phone plans as these were seen to be exorbitant in Canada compared to other countries, although it was noted by many that this is not a priority. Awareness of the term “junk fees” was almost non-existent.

Most participants were favourable towards the idea of making the wealthiest Canadians pay more. However, there were concerns raised. Some felt that just “asking” the top 0.1% to pay a “little bit more” sounded like this was a very timid, small measure that would not bring in much money. Others were sceptical about collecting more from the top 0.1% as it was noted that the wealthy always find ways to dodge paying more. The mechanism of increasing the capital gains inclusion rate was poorly understood and some wondered if this could affect them if they had a home business or a cottage.

Concern about government spending and the deficit varied by age. Younger participants generally expressed little or no concern about the deficit as they were too busy worrying about their own budgeting and felt that the debt and deficit were just “numbers” and therefore abstractions. Some

older participants had perceptions that the government was spending too much in a haphazard, unfocused, and politically-motivated way. Some older participants also had concerns about the long-term impact of passing a growing debt burden onto future generations.

Some participants, mostly in the Prairie groups, made unprompted comments about the increase in carbon pricing. Some were under the impression that carbon pricing was the primary cause of food inflation.

C. Reaction to housing plan

Most participants had heard nothing about federal government measures to address the housing crisis. To the extent that any had heard anything it was about the 30-year amortization for mortgages, renters being able to apply their rent history to their credit scores or vague awareness of plans to build more housing on government lands. There was often confusion between federal, provincial, and municipal housing initiatives and a perception that action was long overdue.

The overall housing plan in the budget was generally seen as a small step in the right direction but as too little, too late. Many felt that these measures should have been introduced a long time ago and that now they would mostly just prevent the situation from getting much worse. Building 3.87 million new homes sounded ambitious but it was also noted that our population was growing at a very rapid rate. Many of the measures in the housing plan related to more money for programs that most participants had not heard of and that they found complicated to understand. It was unclear what the results or outcome from the funding would be.

a. Measures to increase supply

Reaction to measures to build more homes was mixed to positive. There was little objection to the *Housing Accelerator Fund* agreements or building more housing on government lands or investing in the *Apartment Construction Loan Program*, etc. However, there was a disconnect in the eyes of many between increasing the supply of houses and making homes more affordable to Canadians. Many participants noted that lots of new housing is already being built but that it did not appear to be making housing any more affordable, so they were very sceptical as to whether these measures would make a meaningful difference.

Participants expressed strong support for streamlining foreign credential recognition in the construction sector, pointing out that labour shortage was one of the main issues affecting construction

Some noted that these measures might do some good many years down the road but that the government should have done many of these things a long time ago. They would have liked to see action on interest rates and on exorbitant rent increases and language that made it clearer that the new homes being built would be more affordable.

b. Measures for renters and home buyers

There were similar reactions to measures to help renters and first-time home buyers. Most participants liked giving renters the option of using their payment history to help them qualify for mortgages – but it was sometimes pointed out that mortgages were often still unaffordable.

Creating a *Renters Bill of Rights* had mixed reactions – some liked the idea of more rights for renters while others wondered how knowing the rent history of a unit would make the current rent any cheaper (i.e. landlords might always find renters able to pay more) or pointed out that landlords also have rights.

Allowing 30-year mortgages for first-time home buyers purchasing new builds was seen as a positive step even if it might mean people being debt for longer and paying more interest in the long term.

There was a perception that part of the housing problem was that corporations and foreign investors had driven up prices and this caused many participants to be receptive to measures such as extending the ban on foreign home buyers and large corporations buying up existing single family homes. For the same reasons, it was also pointed out that individuals should be forbidden from buying multiple family homes.

c. Measures for the most vulnerable

Reaction to measures offering assistance for those struggling to find a place to live were quite favourable as well – especially when it came to more funding to organizations helping homeless people. Participants noted that homelessness was a very visible manifestation of the housing and cost of living crisis that they were confronted by in their lives.

The other measures in this segment were seen to be confusingly worded, bureaucratic, and too focused on funding particular programs such as the *Affordable Housing Fund* or of the *Rental Protection Fund* as opposed to describing the actual outcome in terms of additional homes.

D. Budget 2024 – final assessments

When participants were asked to assess the budget as a whole, after reviewing many of the measures within the budget, opinions were very mixed. The most common reaction was that the budget seemed scattered and unfocused with such a wide range of priorities and measures. Some felt it was “too little, too late” and was made up of worthy ideas that were long overdue and should have been addressed years ago.

Words used to describe the budget included “insufficient,” “mediocre,” “meh,” “scattered,” “unfocused,” “vague,” “fantasy,” and “smoke and mirrors.” To the extent that there were positive word associations with the budget they included “positive,” “housing,” “hopeful,” “social” and “affordability.”

Some participants agreed that the budget seemed to be an attempt to address younger Canadians due to the emphasis and on housing and the absence of any initiatives aimed at older people, but most

struggled to identify a central theme in the budget or who they felt it was aimed at. There was also a lot of scepticism about the implementation of the measures in the budget and whether any of them would actually happen in a way that would yield results.

Political neutrality statement and contact information

I hereby certify as senior officer of Environics that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

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