Fiscal Framework

The Macroeconomic Context

Provincial government budgets are shaped by the state of the economy. A growing economy will increase government revenues coming from income taxes on individuals and corporations or royalties on resources extraction. An economy that is employing more workers, drawing people into the labour force, and increasing personal incomes will also reduce expenditure pressures on social programs such as Rent Assist and Employment and Income Assistance. The reverse is also true, with tough economic times reducing revenues and putting pressure on the province's finances through increased demand for income supports.

Manitoba has a relatively diverse base of economic activity. Unlike Saskatchewan and Alberta, which are heavily reliant on natural resource extraction and agriculture, Manitoba's economy has greater balance between primary commodity production/extraction and other economic sectors such as manufacturing and services. This has led to greater stability of the Manitoba economy over time, insulating it somewhat from the more pronounced boom and bust cycles experienced by our western neighbours, and generating greater predictability for government budgets.

Despite this, Manitoba is still vulnerable to economic volatility outside of its borders, and the larger economic uncertainty generated from increasingly conflictual global trading relations in recent years. Just over half of Manitoba's economic output is exported, with about half of these exports going to other provinces and half to other countries. National and global economic trends and trade disputes impact Manitoba's ability to sustain steady economic growth and revenues to support government services. Relations with the United States, our largest trading partner, but also other increasingly vital export markets such as China have faced ongoing and recurring challenges in recent years. These include threats to extract concessions by the US through a renegotiated North American Free Trade Agreement, and Chinese bans on Canadian sourced canola, pork and soybeans (all significant agricultural exports for Manitoba). There is some optimism that issues are being worked through, with dispute resolution being negotiated and new market access agreements progressing.

Despite the progress, forecasters has revised down Manitoba's economic growth projections significantly, both from historical trends and earlier forecasts. After tepid growth of 1.0 per cent in 2018, Budget 2019 forecast real rates of economic growth of 1.7 and 1.5 per cent in 2019 and 2020,[1] but the province later revised these down to 1.2 and 1.4 per cent in their midterm report.[2] The Conference Board of Canada (CBOC) has recently released even more dismal estimates of 0.9 per cent in 2019 and 0.7 per cent in 2020.[3] While the Pallister government continues to emphasize the above noted national and global economic challenges, i.e. factors outside of its control,[4] austerity measures of the Manitoba government are also driving down growth projections. For example, the CBOC forecast cites government expenditure constraints and reductions as contributing to its low economic growth projections for the province.

The reductions and underspending in infrastructure spending by the Manitoba government (see Growth Enterprise and Trade chapter) has been particularly harmful to growth prospects, given infrastructure's strong local and regional economic spinoffs. The previous government had embraced an anti-austerity approach to spending and investment in large scale public infrastructure projects that boosted the construction sector and economic growth. Earlier projects included green energy and climate change mitigation projects such as expansion of the Red River Floodway, the construction of the Wuskwatim generating station and dam, the building of the new Manitoba Hydro headquarters.

These, along with more conventional investments in roads and highways, and projects such as the Winnipeg Richardson International airport terminal, provided significant countercyclical economic stimulus during and in the aftermath of 2008–2009 global economic crisis. This allowed Manitoba to weather the storm comparatively well relative to many other provinces.[5] [6] The government continued to ramp up infrastructure spending in the early 2010s, financed through an increase in the PST and sizable deficits. Growth rates in Manitoba were higher than the national average four out of five years between 2012 and 2016, with average annual growth rates 0.4 per cent higher than Canada as a whole.[7]

Major infrastructure projects initiated later by the previous government such as Manitoba Hydro's Bipole III and the Keeyask dam and generating station have reached or are nearing completion, with the current provincial retrenchment leaving a significant gap that the private sector has not been able to fill. Manitoba has underperformed relative to the national economy since the election of the Conservatives, and the CBOC is forecasting the province will to continue to lag for 2019 and 2020, with Manitoba ranking dead last in the CBOC 2020 provincial growth forecasts.[8] Financial sector forecasting estimates are slightly more optimistic, but still place the Manitoba below the national average for 2019–2021.[9]

Similar trends have been observed in the labour market, with Manitoba losing its edge. Historical differences between Manitoba and Canada in unemployment, participation rates and employment rates have been narrowing in recent years.[10] For example, between 1999 and 2016, Manitoba's unemployment rate was 2 percentage points below the national rate on average, while from 2017–2019 that gap fell to 0.4 percentage points. For young workers (aged 15–24) the narrowing has been even more dramatic, with Manitoba losing a 2.9 percentage point advantage since 2015. In 2019, 11 per cent of young workers in Manitoba were seeking and unable to find jobs, matching the federal rate. A similar pattern is visible for the participation rate, the number of people participating in the labour force (both employed and unemployed). While both Canada and Manitoba have seen a secular downward trend in the participation rate since the crisis, Manitoba had consistently outperformed the national average. More recently however, the gap has narrowed from a peak of 2.5 percentage points in 2015 to less than 1 in 2019.

Job growth in Manitoba is also lagging federal trends. Canada had strong job creation in

2019, with indicators suggesting many of these new jobs were 'good jobs'. Most of them were full time, the unionization rate went up, self-employment fell, and real wage growth was strong.[11] Manitoba, on the other hand, saw effectively no job growth, with increased part time employment coming at the expense of fulltime work, and more Manitobans leaving the job market than those entering.[12] The prospects are not expected to improve anytime soon, with forecasters predicting employment growth significantly below national projections for 2020.[13]

Based on these estimates, it is clear that Manitoba's economic performance is expected to be subpar and cannot be relied upon to spur real wage growth or job creation. The APB significantly increases government investments in public services and infrastructure to support a just transition including investments in clean energy and job creation, aiming to reverse recent economic slowdown.

Revenue

The provincial government has a number of revenue sources, the largest being federal transfers, making up approximately 26 to 27 per cent of government revenues between 2014 and 2018. The second largest single source of government revenue is personal income taxes, making up around 21 per cent of provincial revenues. These taxes are levied in a 'progressive' manner, such that those with higher incomes pay a higher rate of tax on some of their earnings. Total income taxes, including corporate taxes, make-up about 25 per cent of provincial revenues, and have consistently done so between 2012 and 2018.

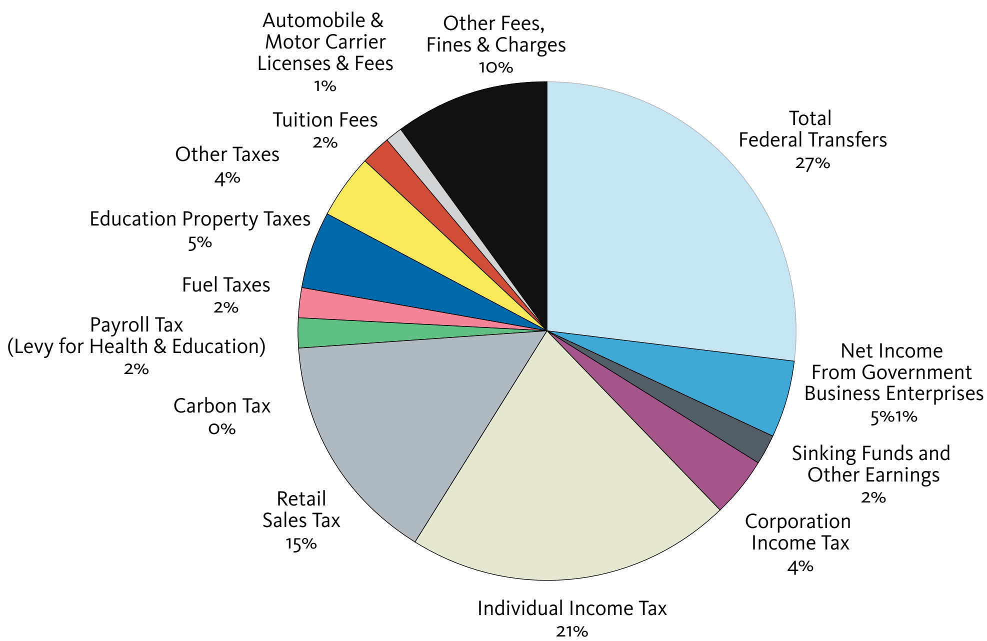
While personal income tax rates in Canada are progressive, they are much less progressive than they used to be in the 1950s and 60s. Tax rates on higher income earners have been cut. Tax credits, like a lower tax rate on capital gains (money made off of increasing value of investments) were also introduced, making the tax system even less progressive. The tax burden has also been shifting away from corporations onto individuals, with significant cuts to the corporate tax rate over time. Corporate tax rates in Canada have fallen from 28 per cent in 2000 to 15 per cent in 2012. This results in billions of dollars of lost revenue each year, revenue that could pay for a pharma-care plan, or universal childcare. These trends are present in Manitoba too.

Corporate tax rates have fallen even lower, to 12 per cent, and Manitoba is the only province in Canada where small businesses pay no corporate tax. Our top marginal tax rate for individuals is much lower than the federal rate, at 17.4 per cent. Manitoba's rate is higher than the provinces west of us, but lower than those East of us.

The third largest single source of revenue is the provincial or retail sales tax (PST), making up 14 to 15 per cent of government revenues. The PST is not a progressive tax – everyone pays the same rate regardless of their income. Because low income households spend a greater share of their income on goods and services (poor families struggle to save and invest), these taxes can end up being 'regressive' such that low income people end up spending a greater share of their income on the tax. The federal government tries to offset this effect from the GST with a 'GST credit' for low income households. Currently the PST has no such credit, but more necessities are exempt under the PST than the GST. Despite being a regressive tax from a total dollar perspective, cutting the PST still benefits higher income Manitobans more because they spend the most. Low income people spend less, so they don't see much of a benefit from a reduction.

It is important to remember that people also benefit from taxes. Governments use tax revenue to fund important services for individuals, businesses and communities. To judge whether a tax change makes low-income households better-off or not requires looking at what services are impacted. Low-income households are generally more reliant on public social services

FIGURE 1 **Government of Manitoba Revenue Sources as Percentage of Total, Actual 2018/19**



such as health, education and housing and income supports. Tax cuts often disproportionally benefit those who earn more, and the poor suffer the most when services are cut. For example, the government's raising of the basic personal exemption (the amount on which you start paying taxes) and indexing tax brackets to inflation cost the government $36.4 million. This saved the lowest earners $53 in 2019 compared to 2016, but those who made $70,610/year or more saved $253/year. These recent tax cuts in Manitoba had been accompanied by reducing services, including benefit reductions in health care, housing benefits and community development programs. For example, the recent cuts to the Rent Assist program saw benefits available decrease in some cases by nearly $200 for some low income families.[14] These tax cuts paid for by benefit reductions redistribute from the poor to the well-off, worsening inequality.

Other remaining taxes (education property taxes, fuel taxes, land transfer tax, payroll tax, etc.) make up 13 per cent of revenues, and fees (such as tuition fees, drivers licencing fees) and fines make up another 13 percent. Most of these other taxes and fees are also regressive when paid by individuals, such that they do not consider ability to pay. The government also relies on government business enterprises for a relatively smaller but not insignificant share of revenues (4 to 6 per cent). The remainder (around 1.5 to 2 per cent) is revenue from other financial investments held by government. Figure 1 summarizes the revenue breakdown for the government of Manitoba, showing actual revenue percentages for 2018–19.

In the last few years the proportion of government revenues from various sources has been relatively stable, but there have been shifts over the last 12 years that are particularly notable if we examine the composition of revenues prior to the global economic crisis. Reliance on transfer payments, government enterprises, and investments has fallen, while the province has become increasingly reliant on income taxes to fund its operations. This increased reliance on

TABLE 1 Revenues, Expenditures and Deficit: 2020 APB vs. Budget 2019

(in millions)	2020/2021 APB	% Change	2019/20 Budget
Revenue			
Income Taxes	5,419	27.5%	4,250
Other Taxes	5,171	13.7%	4,550
Fees and Other Revenue	2,628	15.7%	2,271
Federal Transfers	5,129	6.5%	4,815
Net Income of Government Business Enterprises	800	-0.7%	806
Sinking Funds and Other Earnings	330	-0.9%	333
Total Revenue	**19,477**	**14.4%**	**17,025**
Expenditures			
Health and Healthy Living	6,986	4.8%	6,664
Education	4,748	3.2%	4,601
Family Services	3,689	70.9%	2,159
Community, Economic and Resource Development	1,974	23.3%	1,600
Justice and Other Expenditures	1,382	1.0%	1,368
Debt Servicing	1,154	6.1%	1,088
Total Expenditure	**19,934**	**14.0%**	**17,480**
In-Year Adjustments/Lapse			(95)
Net Income (Loss)	**(453)**	**25.7%**	**(360)**

income taxes did not offset the fall in other revenue sources (as a proportion of the economy).

Revenues of the Manitoba government as a percentage of GDP (Gross Domestic Product, or the value of all the goods and services produced in a year) have fallen dramatically over the last 12 years. Revenues in 2006/07 were equivalent to just over 25 per cent of GDP. By 2012/13, this fell to 23 per cent of GDP, and has been stuck around this level since. As an illustration of the significance of this drop: if revenues had been maintained at their 2006/07 levels, an additional $1.9 billion in revenues would have been collected by the province. This is more than double the actual deficit inherited by the current government in 2016. The 2020 APB reverses this trend, by reinstating revenues to its 2006/07 levels in relation to provincial economic output. In addition to substantially increasing revenues, the APB undertakes a significant set of changes to make Manitoba's tax and transfer system more progressive, including reversing the tax cuts implemented since 2016.

Specifically, the APB proposes the following revenue measures:

- Increase the corporate income tax rate by 1 per cent, to 13 per cent (+$42M)
- Eliminate the Basic Personal Amount tax credit (+$898.1M)
- Restore PST to 8% (+$250M, based on July 1st increase)
- Introduce a provincial Carbon Pollution Levy (+$300M)
- Increase personal income taxes on higher income earners(+$253.2M) as follows:
  - a tax rate on income between $70,610 and $90,000 of 18 per cent (up from 17.4 per cent)
  - a new higher tax rate of 20% on income between $90,000 and $100,000

- a new higher tax rate of 21% on incomes over $100,000

- Introduce a Sweet Beverage Tax (+$75M)

In addition, baseline revenues are forecasted to increase by $925.8 million over and above those projected in Budget 2019's, based on historical trends and announced increases in federal transfer payments. These revenue increases together return Manitoba's projected revenue to GDP ratio to 25.1 per cent, just under the pre-financial crisis (2007/08) levels.

To help mitigate the impact of these tax changes on low and middle income families, and to make the tax system overall more progressive, the following tax credit programs will be introduced:

- A refundable Livable Basic Needs Benefit (+$1,072M, based on July 1st implementation; See Expenditure section below and Social Welfare Chapter)
- A refundable new low-income Carbon Pollution Levy Credit (+$100M, See Climate Change chapter)
- A reduction of income tax rate on the first $32,670 earned to 10.2 per cent and reduction on income between $32,671–$70,610 to 12.5 per cent. (-$290.4M)

Table 1 summarizes the ABP's projected revenues compared to the 2019/2020 budget.

Expenditure

Government expenditures fund important public services necessary for our modern economy and society to be successful. Infrastructure like roads, bridges and rapid transit ensure people can efficiently get to work and school, and that goods can be transported to market. Health and education services maintain us physically and intellectually, and make sure that we are preparing current and future generations to meet the challenges of the future. Healthcare and education, funded through progressive taxation, are also an important part of combatting growing economic inequality. Government funding also supports a range of other fundamentally important services, making sure that our food and drinking water is safe, that our environment is protected, and helping vulnerable populations meet their basic needs.

The APB takes significant steps to address the climate crisis, underinvestment in social programs, and increasing socio-economic inequality. Expenditures by the Manitoba Government over the last four years have steadily decreased in relation to the size of the economy, from 24.4 per cent in 2016/17 to a projected 23.2 per cent in Budget 2019 (See Table 2). Table 1 also summarizes the ABP's projected expenditures compared to the 2019/2020 budget. The 2020 APB increases overall expenditure by 14 per cent. This would increase expenditures to 25.7 per cent of GDP, an increase of 2.5 per cent, and returning it to levels seen in the early 2010s.

Expenditure on "Family Services" is the category seeing the greatest year over year increase, with an increase of 71 per cent. Approximately one-third of these expenditures, $500.3 million, are for important investments to improve services in areas including childcare, housing, and child welfare. The remainder is due to restructuring of the tax and transfer system, specifically the introduction of the Livable Basic Needs Benefit (LBNB).[15] While the APB does increase spending on low income transfers through the LBNB, a majority of this new spending is offset by APB income tax changes. These combined changes makes the overall system significantly more progressive.

Table 3 below outlines the impact on various income groups of the APB's combined income tax changes and the new expenditures through the LBNB. The effect of the changes are shown based on income groups tied to the Low Income Cut Off (LICO). On average, the bottom three groups in the table (with income of 2x the LICO

TABLE 2 **Expenditures, by Category as Percentage of GDP**

	APB	Budget	Actual	Actual	Actual	Actual	Actual
	20/21	19/20	18/19	17/18	16/17	15/16	14/15
Health and Healthy Living	9.0	8.8	9.0	9.1	9.7	9.4	9.3
Education	6.1	6.1	6.0	6.2	6.3	6.3	6.2
Family Services	4.8	2.9	3.0	3.1	3.0	3.0	2.8
Community, Economic and Resource Development	2.5	2.1	2.3	2.4	2.2	2.3	2.4
Justice and Other Expenditures	1.8	1.8	1.8	1.6	1.7	1.7	1.8
Debt Servicing	1.5	1.4	1.4	1.3	1.4	1.3	1.3
Total Expenditure	25.7	23.2	23.6	23.8	24.4	24.1	24.0

TABLE 3 **Net Impact of AMB Income Tax changes + introduction of the Livable Basic Needs Benefit* ****

After-tax Low Income Cut Off (LICO) Family Income Level	Average Disposable Family Income	Average Total Family Income	Average $ Net Benefit Per Economic Family	Average Net Benefit - % of Pre-LBNB Disposable Income
Bottom 43% of population:				
<1.0 x LICO	$14,721	$15,431	$8,097	55.0%
1.0 – 1.5 X LICO	$33,332	$36,450	$4,167	12.5%
1.5 – 2.0 X LICO	$48,213	$56,504	$1,591	3.3%
Middle 14% of population:				
2.0 – 2.5 X LICO	$64,963	$79,052	-$65	-0.1%
Top 43% of population:				
2.5 – 3.0 X LICO	$77,862	$97,148	-$1,012	-1.3%
3.0 – 3.5 X LICO	$94,746	$120,925	-$1,421	-1.5%
3.5 – 4.0 X LICO	$101,276	$130,382	-$1,519	-1.5%
4.0 – 4.5 X LICO	$113,597	$148,693	-$1,704	-1.5%
4.5 – 5.0 X LICO	$120,075	$157,239	-$2,041	-1.7%
5.0 + X LICO	$208,918	$279,761	-$4,387	-2.1%
ALL	**$74,097**	**$93,035**	**$889**	**1.2%**

* AMB Income tax changes include: elimination of the Basic Personal Amount exemption of $9,626; reducing the bottom tax bracket rate to 10.2 per cent; reducing for the second income tax bracket to 12.5 per cent, increasing the tax rate on the third tax bracket (for incomes between $70,610 and $90,000), to 18 per cent (up from 17.4 per cent); creating a top (forth) tax bracket for $90,000 up to $100,000, with a tax rate of 20 per cent; and creating a top (fifth) tax bracket of 21 per cent for $100,000 and over.

** Calculated using Statistics Canada, Social Policy Simulation Database and Model. Version 28.0. This analysis is based on Statistics Canada's Social Policy Simulation Database and Model. The assumptions and calculations underlying the simulation results were prepared by the Canadian Centre for Policy Alternatives Mb. and the responsibility for the use and interpretation of these data is entirely that of the Canadian Centre for Policy Alternatives, Mb.

and under) make up approximately 43 per cent of all economic families. These bottom 43 per cent experience a net gain from the APB changes. The middle 14% will effectively see their disposable income stay constant, with a loss of 0.1 per cent, or $64. The remaining higher income groups, making up the top 43 per cent, will see their net income fall. For most of these groups, the fall ranges from 1.3 to 2.1 per cent of net income. The benefit for low income earners however is substantial, an increase of approximately 55 per cent for those below the LICO poverty line.

Overall these changes are expected to reduce the poverty rate by 43 per cent and the depth of poverty by 40 per cent, based on the LICO.

Deficit/Debt

Governments take in revenue that is spent on services. In a given year, if revenue equals spending, the government budget is balanced. If revenue is less than spending, the government borrows money (from selling government bonds) to cover the deficit for that year. At the end of a budget year, any deficit incurred is added to the government debt. If revenue is greater than spending, the government runs a surplus, and that money can go to pay down the debt.

Just like individuals, governments have to pay interest on any debt. But it can borrow money at lower rates than you or a company can, because government bonds are very low risk (this is because governments have the power and authority to tax people and business, and governments very rarely go bankrupt).

Deficits and debts are not necessarily bad. They have a cost and benefit. The cost is the interest rate on the debt, and benefit is what you spend the money on. If a government goes into debt because it is spending money on frivolous things, then debt is bad. But if the government is spending on things that help people and which grow the economy, debt can be a useful government tool.

Most families borrow money, and this is often a good thing. Car loans often let people access the transportation they need to get and hold a job. Mortgages allow people to buy a home, have a place to live, and own an asset that usually generates a financial return overtime. Borrowing to go to college or university can often lead to brighter prospects for the future. Handled properly, personal debt can help people get the things they need so they can live productive lives, and be financially better off in the long run.

Government debt can work the same way. If a government invests in strategic infrastructure that can help people and businesses be more productive, this helps Manitoba be more competitive. Similarly, if a government invests in education, childcare, and healthcare, our society benefits and becomes more prosperous. A more prosperous society means government has to spend less on future healthcare and social service costs, and it likely means more people are working. When more people work, more income tax is paid and the government can pay down the debt or have money to invest in programs.

Deficit spending can also be used to stimulate the economy during a recession. In a recession, companies stop spending, they lay off employees and those employees stop spending, causing more companies to lose money and lay off even more employees. When that happens our economy contracts. This happened in a major way in 2008, when unemployment rates sky-rocketed around the world. Governments around the world went into debt so they could invest in such a way to stimulate the economy. They kept people employed and spent money so that companies didn't have to lay so many people off. As businesses become more conservative and sit on large cash reserves, some economists have argued that government needs to stimulate demand through deficits and investing in strategic infrastructure.

How much debt is too much debt? There is a lot of debate about this, but we have seen very high rates of debt in countries with healthy economies. For example, after WWII, Canada's economy was booming, most of our infrastructure was built — providing decades of service — and our debt was around 140 per cent of the total value of our economy (GDP). The most common measure of a country's or province's debt is looking at the Debt to GDP ratio. Canada has one of the lowest Debt/GDP ratios in the world at 28.5 per cent. Manitoba's is higher, at 34.3 per cent. This rate has increased from a low of 21.6 in 2007/08, but Manitoba has invested heavily in significant infrastructure projects that are necessary to mitigate again future cost and risk, such

TABLE 4 Key Indicators on the Debt and Deficit

In Millions	2020/2021 APB	Change from 2019/20	2019/20 Budget
Deficit	453	93	360
Debt Servicing	1,149	61	1,088
Summary Net Debt	27,587	1474	26,113
Per Cent of GDP			
Debt Servicing	1.5%	0.1%	1.4%
Summary Net Debt	35.6%	0.9%	34.7%

flood protection, and projects that will generate significant future revenue for the province, such as hydro dams and generating stations. Contrast these rates to the combined corporate/household debt, which is 218 per cent of GDP.

Another important indicator is the difference between the rate of growth of the economy and the interest rate paid on government debt. As long as the economy is growing at a faster rate than the interest rate that government is paying on that debt, its ability to pay back that debt will grow faster than the debt itself. In a low-risk developed economy like Canada, this is not a concern, with growth rates well above government borrowing rates, although poor economic performance in Manitoba since 2016 has narrowed this gap. Manitoba's debt servicing costs as a proportion of GDP have been very stable, at around 1.3 to 1.4 per cent of GDP since 2010/11, much lower than before the economic crisis.

We do not think that government debt should be taken lightly, and that deficit spending needs to deliver a big bang for the buck (on preventing climate change, for example). But if borrowing money today will save more money in the future, it makes sense to borrow.

The 2020 APB does engage in additional deficit spending on economic and environmental investments. Table 4 presents key indicators with respect to the debt and deficit. The summary net debt increases by $1,474 Million, leading to an increase in debt servicing costs of $61 Million or 0.1 per cent of GDP. The summary debt to GDP ratio increases by 0.9 percentage points.

1 Government of Manitoba. 2019. *Budget 2019: Budget and budget papers*. Winnipeg, Canada: Government of Manitoba. p.39

2 Fielding, Scott. 2019. *Manitoba fiscal and economic update: Mid-year report*. Winnipeg, Canada: Government of Manitoba.

3 Macdonald, Alicia, and Anna Feng. 2020. *Provincial outlook economic forecast: Manitoba-autumn 2019*. Ottawa, Canada: Conference Board of Canada.

4 Fielding, Scott (2019). "Manitoba Fiscal and Economic Update: Mid-year report". Government of Manitoba. Available at: https://www.gov.mb.ca/finance/publications/pubs/quarterlyreports/mid_year_report.pdf

5 Baragar, Fletcher (2011). "Report on the Manitoba Economy 2011". Canadian Centre for Policy Alternatives - Manitoba. Available at: https://www.policyalternatives.ca/publications/reports/report-manitoba-economy-2011-0

6 Manitoba did so well in fact that it benefited from 2010 to 2013 from the Total Transfer Protect commitment related to Canada's equalization scheme, such that their total transfer payments didn't drop below their previous level. See Government of Canada (2017, August 25). "Total Transfer Protect (Dataset)" Retrieved January 18, 2020 from: https://open.canada.ca/data/en/dataset/4eee1558-45b7-4484-9336-e692897d393f

7 Statistics Canada. "Table 36-10-0222-01: Gross domestic product, expenditure-based, provincial and territorial. Retrieved January 15, 2020 from https://doi.org/10.25318/3610022201-eng.

8 Macdonald, Alicia, and Anna Feng (2020, January 10). "Provincial outlook economic forecast: Manitoba - Autumn 2019". Conference Board of Canada. Available at: https://www.conferenceboard.ca/e-library/abstract.aspx?did=10567.

9 See: Caranci, Beata, Derek Burleton, Rishi Sondhi, and Omar Abdelrahman (2019, December 17). "Provincial economic forecast: Regional growth disparities linger". TD Economics, https://economics.td.com/provincial-economic-forecast; Hogue, Robert, and Ramya Muthukumaran. (2019, December) *"Provincial outlook: All provinces to take dicey global economy in stride in 2020"*. RBC Economics. Available at: https://royal-bank-of-canada-2124.docs.contently.com/v/provincial-outlook-december-2019; and Kavcic, Robert (2019, December 2). "Provincial monitor: 2020 vision". BMO Economics. Available at: https://economics.bmo.com/en/publications/detail/7ac1e464-9a4e-4d18-a62c-15ed4a3dac61/?keyword=provincial%20economic%20forcecasts?keyword=provincial%20economic%20fore.

10 Statistics Canada (2020, January 15). "Table 14-10-0020-01: Unemployment rate, participation rate and employment rate by educational attainment, annual," Statistics Canada. Retrieved January 15, 2020, from: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002001.

11 Stanford, Jim (2020, January 14). "Canada experienced the biggest employment jump in 40 years in 2019 — and now wages are going up too". *Toronto Star*. Retrieved from: https://www.thestar.com/business/opinion/2020/01/14/why-you-can-look-forward-to-a-better-and-better-paying-job-in-the-future.html

12 Statistics Canada (2020, January 10). "Labour Force Survey, December 2019". Available at: https://www150.statcan.gc.ca/n1/daily-quotidien/200110/dq200110a-eng.htm

13 Hogue, Robert, and Ramya Muthukumaran. (2019, December) *"Provincial outlook: All provinces to take dicey global economy in stride in 2020"*. RBC Economics. Available at: https://royal-bank-of-canada-2124.docs.contently.com/v/provincial-outlook-december-2019;

14 Brandon, Josh and Jesse Hajer (2019). "Making Space for Change: The Story of Manitoba's Rent Assist Benefit". Canadian Centre for Policy Alternatives – Manitoba. Available at: https://www.policyalternatives.ca/publications/reports/making-space-change

15 For research examining this type of tax and transfer change to make income distribution more progressive, see: Stevens, Harvey, and Wayne Simpson (2017). "Toward a National Universal Guaranteed Basic Income." *Canadian Public Policy*, 43,2.