

Deficit Doubts: Past CPC, Bloc voters drive plurality view federal government should do more to get out of the red

Doubling of GST rebate popular, even among 50% of those who prefer reduced spending overall

April 3, 2023 – After unprecedented spending during the COVID-19 pandemic, there has been increasing pressure in some corners of Canada for the Liberal government to cut costs in pursuit of a balanced budget. The onset of a cost-of-living crisis and the demand for relief it has generated has evidently changed those calculations in Ottawa. The government no longer projects balance by 2028, instead a \$14-billion deficit in that year.

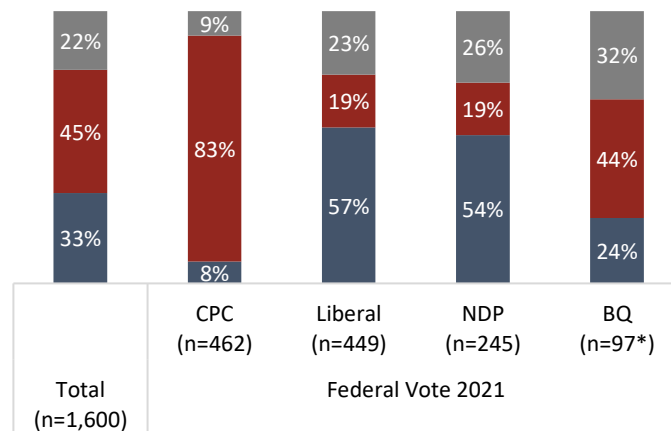
Against this backdrop, a new study from the non-profit Angus Reid Institute finds one-in-three Canadians supporting the increased spending to aid lower-income households and invest in growth, while a larger group, 45 per cent, would prefer tightening in pursuit of a balanced budget.

Politically, division is palpable. Those who voted for the Liberals and New Democrats lean heavily toward supporting the governing party's budgetary approach, while past Bloc Québécois voters are most divided (24% agree, 44% disagree, 32% unsure). Conservatives are largely unified in their opposition.

The budget also included tens of billions of dollars of clean technology tax credits. Overall, 44 per cent of Canadians say this is a savvy measure to make Canada more competitive – particularly after the United States [ramped up investment](#) in this industry the with its own Inflation Reduction Act last year. Two-in-five (41%), however, view this as a business cost subsidy that Canada should not be investing in.

Measures such as dental coverage for lower-income, uninsured households; an expansion of the GST rebate; and an Indigenous housing strategy are met with enthusiasm. Past NDP voters and Liberals alike are near-unanimous in their applause for dental care expansion – a key priority for the New Democrats in maintaining support for the confidence and supply agreement with the Liberals. Even three-in-five past Conservative voters (58%) say this policy is a good one.

Which statement is closest to your view – even if you don't totally agree:



■ Not sure/Can't say

■ The government is taking the wrong approach - it is spending too much and should balance the budget

■ The government is taking the right approach - investing in industries and supporting lower-income Canadians

METHODOLOGY:

The Angus Reid Institute conducted an online survey from March 30-31, 2023 among a representative randomized sample of 1,600 Canadian adults who are members of [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

That said, the reach and breadth of financial supports are met with an underwhelming appreciation. Overall, 26 per cent of Canadians say their household will feel a real benefit from the larger GST rebate, but just 51 per cent of those who are in “terrible” financial shape say this, suggesting that a one-time boost is unlikely to resolve their challenges.

More Key Findings:

- Tax breaks for the clean technology sector are supported by a majority in Quebec (51%) and half in British Columbia (50%) but heavily opposed in Alberta (55%) and Saskatchewan (58%).
- Men and women take different views of spending. Women are more likely overall to say this is the right tact for the time (40% to 34%), while men are twice as likely to disagree and say spending levels are too high (57%) versus appropriate (26%).
- One-in-three Canadians (35%) say that the dental health benefit announced will help their own household. That includes more than three-in-five of individuals whose household income is below \$50,000 per year.

About ARI

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

INDEX

Part One: Budget 2023: The big picture

- **Most aware of budget’s arrival**
- **Plurality believe government is taking wrong approach to spending**

Part Two: The details

- **Most Canadians won’t benefit from key policies, but many say they’re good ideas**
- **Dental benefit**
- **Canadians split on green tech tax credits**

Part One: Budget 2023: The big picture

The 2023 federal budget arrived at a crucial economic and financial time for Canadians. Many feel their finances are battered and bruised after a year of inflation not seen since the 1980s. While the Bank of Canada’s aggressive rate hikes of 2022 may have finally begun to bend the curve of inflation in 2023, they also have put pressure on Canadians holding mortgages, and those who rent from them. The NDP under Jagmeet Singh, who hold the balance of power in the house of commons, were asking for financial support for lower income Canadians. But economists were asking for financial restraint, worrying that high spending from the federal government could undo the work of the Bank of Canada.

CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

Most aware of budget's arrival

Deputy Prime Minister and Finance Minister Chrystia Freeland delivered the budget on March 28, the main contents of which constituting one of the country's [worst kept secrets](#). Indeed, more than four-in-five (85%) say they were aware of the federal government's budget release last week, including one-quarter (25%) who say they have read a lot about the budget since. One-in-six (15%) say they had not heard the government was releasing its budget. Those who voted CPC (33%) and Liberal (28%) in 2021 were more likely than other past voters to be thoroughly engaged with the budget since its release. Approaching one-quarter (23%) of those who voted NDP say they had not heard the budget was coming, the most of any group of partisans ([see detailed tables](#)).

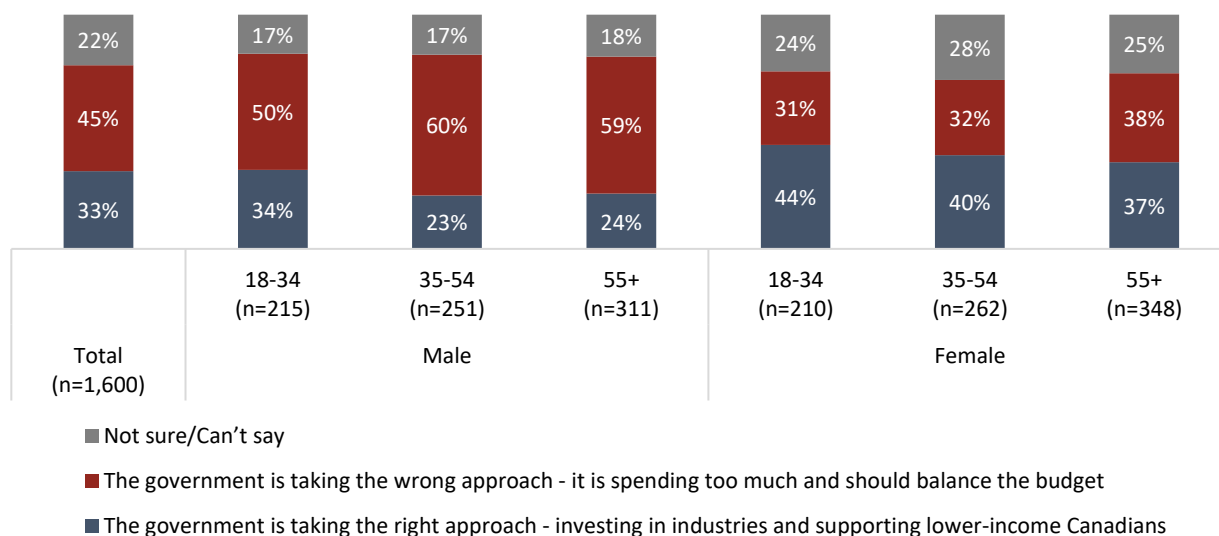
The federal government is projected to take in more than [\\$400 billion in revenue](#) this fiscal year, but spend more than that on its programs, services and debt-servicing charges. That means the government is projected to run a deficit of [\\$40.1 billion in 2023-24](#), an increase of \$10 billion from the economic snapshot the government released in the fall.

Plurality believe government is taking wrong approach to spending

The Liberals are no stranger to deficits and, indeed, electoral success based on red projections. In [2015](#) three-quarters of Canadians said they preferred a government that would spend on important priorities even if it meant short-term deficits. This, alongside Trudeau's own [personal appeal](#) at the time, were two of the major keys that propelled the Liberals to a majority.

Now, however, Canadians are more inclined to believe the government is spending too much than is appropriate. More than two-in-five (45%) say the government should be trying to balance its budget, while one-third (33%) believe it is the correct approach to run deficits to spend on social programs and invest in businesses. Men are much more likely than women to believe the federal government has the wrong approach when it comes to spending:

Which statement is closest to your view – even if you don't totally agree:

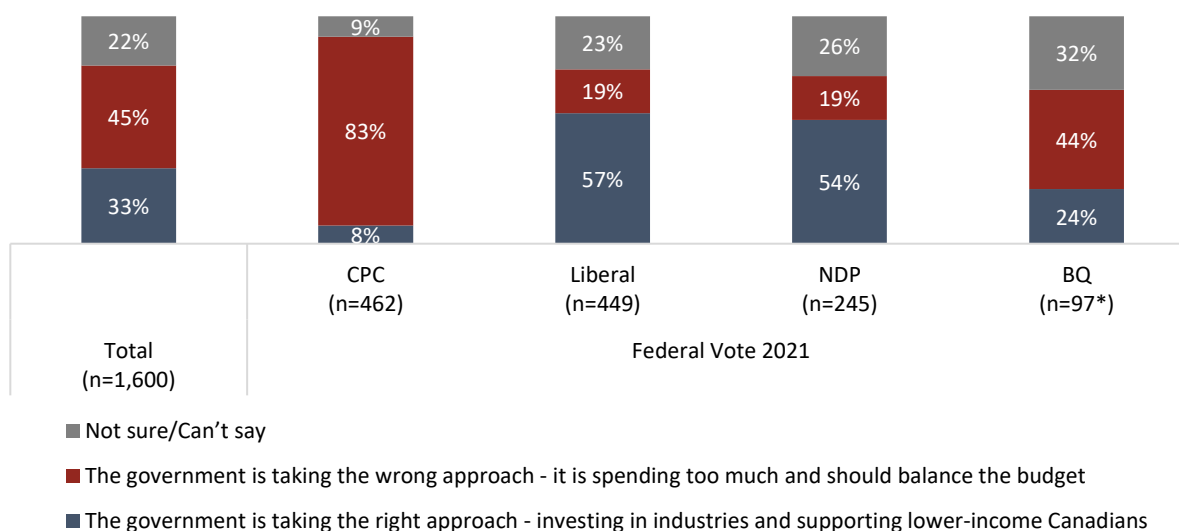


CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
 Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

Conservative Party of Canada Leader Pierre Poilievre labelled the bill as wasteful and a spending “bonanza” that brings the country further into debt. Those who voted for the party in 2021, prior to Poilievre’s leadership, agree – four-in-five (83%) believe the federal government is taking the wrong approach and spending too much. A majority of those who voted Liberal (57%) and NDP (54%) believe spending to support lower-income Canadians and investing in industries is the right approach, but there is still one-in-five (19%) among both groups who dissent:

Which statement is closest to your view – even if you don’t totally agree:



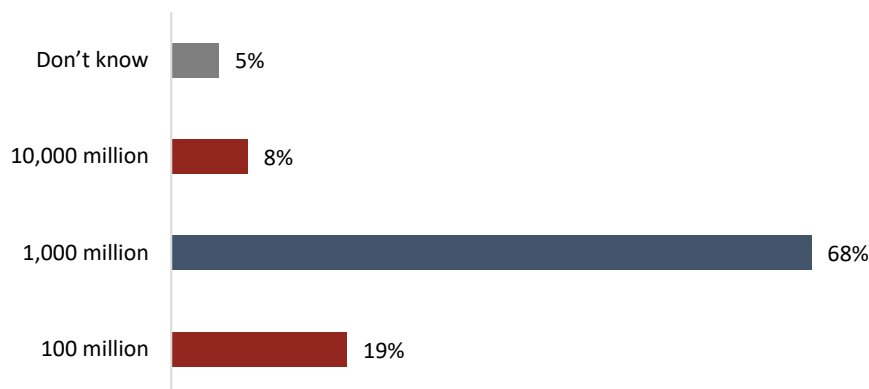
**Smaller sample size, interpret with caution*

A billion dollars is but a drop of the federal government’s annual fiscal inflow and outflow, but also an unfamiliar amount of money to all but a handful of Canadians. Still, most Canadians can quantify it. Approaching seven-in-ten (68%) correctly identify one billion dollars as being equal to \$1,000 million. Canadians are more likely to believe it to be less than that - \$100 million (19%) – than more - \$10,000 million (8%):

CONTACT:

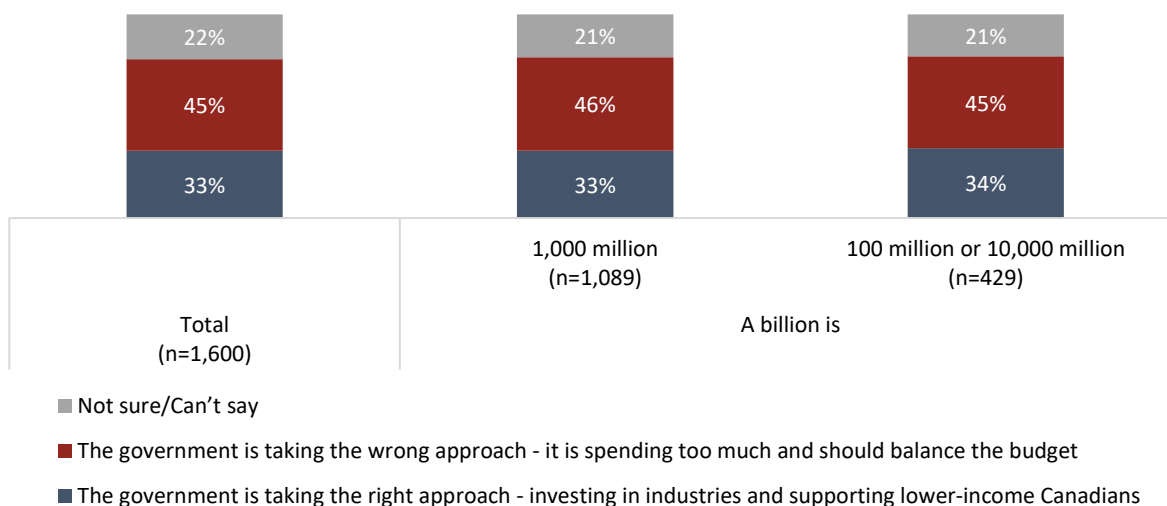
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

**When you hear the number “one billion dollars”, how much would you say that is?
(All respondents, n=1,600)**



Notably, Canadian math scores [have fallen this century](#) according to the Programme for International Student Assessment scores. As well, there is often doubt of Canadians' ability to assess government spending because of a lack of numeracy. However, there is little variation in opinion on the federal government's budget between those who correctly identify a billion as 1,000 million and those who believe it to be less or more than that.

Which statement is closest to your view – even if you don't totally agree:



CONTACT:

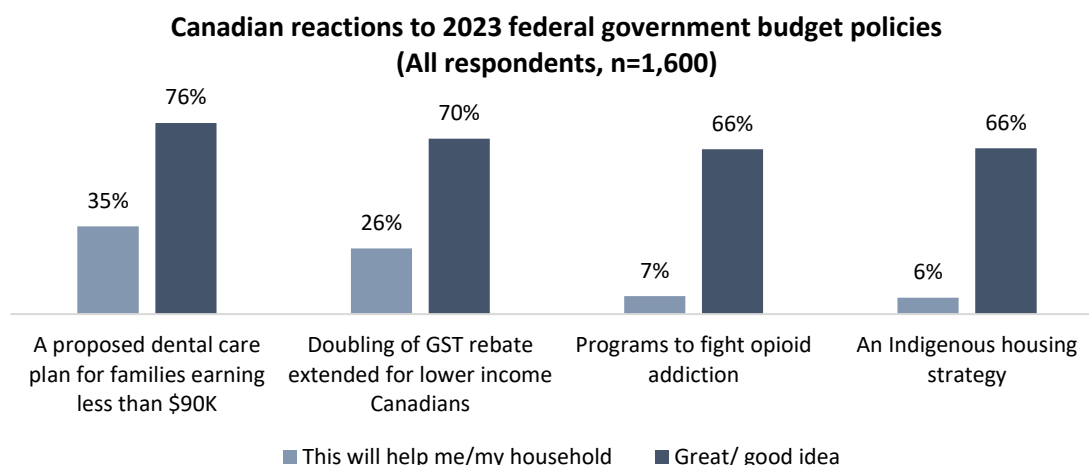
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

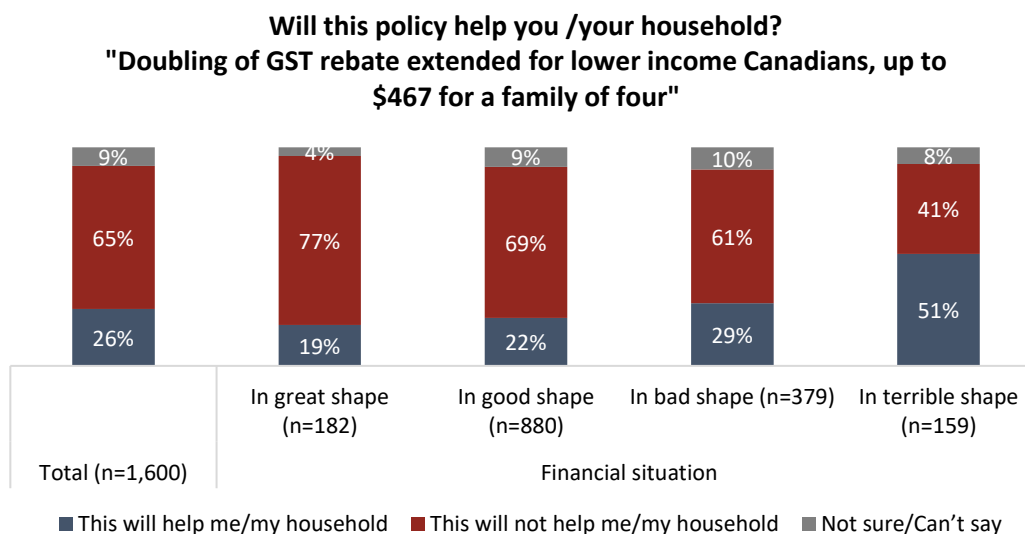
Part Two: The details

Most Canadians won't benefit from key policies, but many say they're good ideas

The federal government's budget included several measures to address affordability, but they focus on lower income individuals, meaning there are many Canadians who do not benefit from the policies. However, in the case of four policies presented to respondents, majorities of Canadians believe them to be good initiatives even if at most one-third say it will help their own household:



For those who are in worst shape financially, the extension of the GST rebate will provide some welcome relief. Half of those who say their financial situation is currently “terrible” say that this will help (51%). This does suggest that those individuals and households are still struggling, beyond the receipt of this one-time benefit:



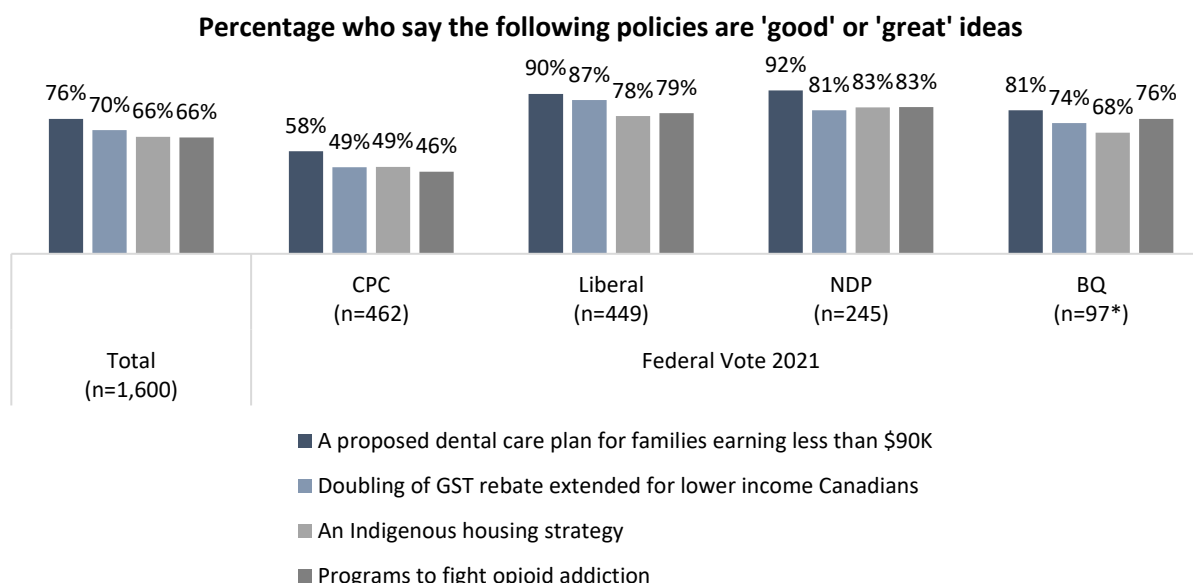
Supporters of the official opposition are naturally often at odds with the governing Liberals and the policies they bring forward. Though they are more likely to be critical of the policies presented in the

CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

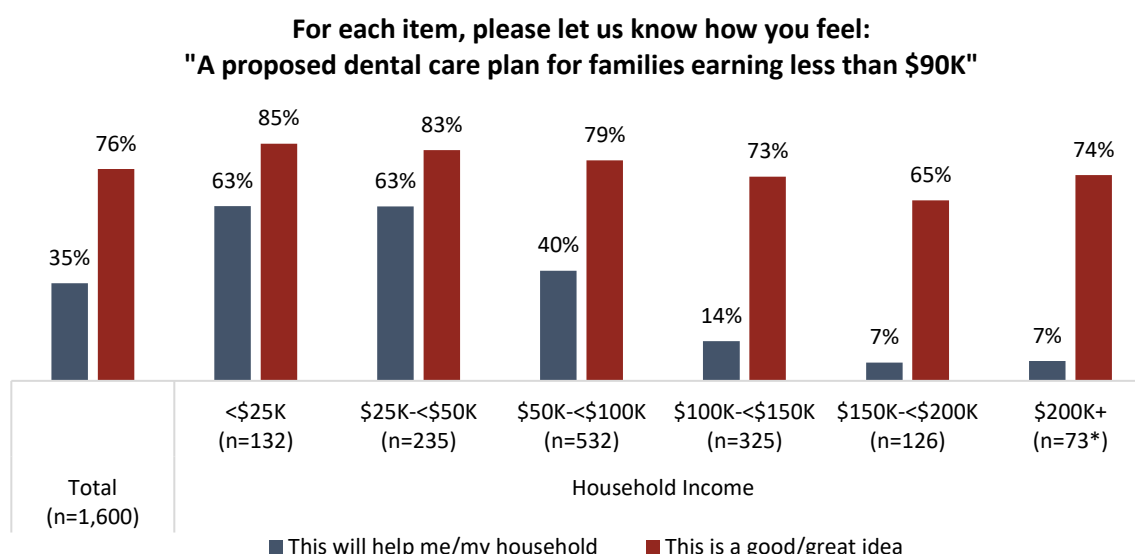
federal government's most recent budget than other past voters, past CPC voters who believe they are good or great ideas outnumber those who say they are instead bad or terrible. Indeed, three-in-five (58%) of those who voted Conservative in 2021 offer praise for the dental care plan and half laud the doubling of the GST rebate and the Indigenous housing strategy:



**Smaller sample size, interpret with caution*

Dental benefit

More than three-in-five Canadians with household incomes below \$50,000 say that the dental benefit will help them. Even those who do not stand to benefit feel it is a worthwhile investment:



**Smaller sample size, interpret with caution*

CONTACT:

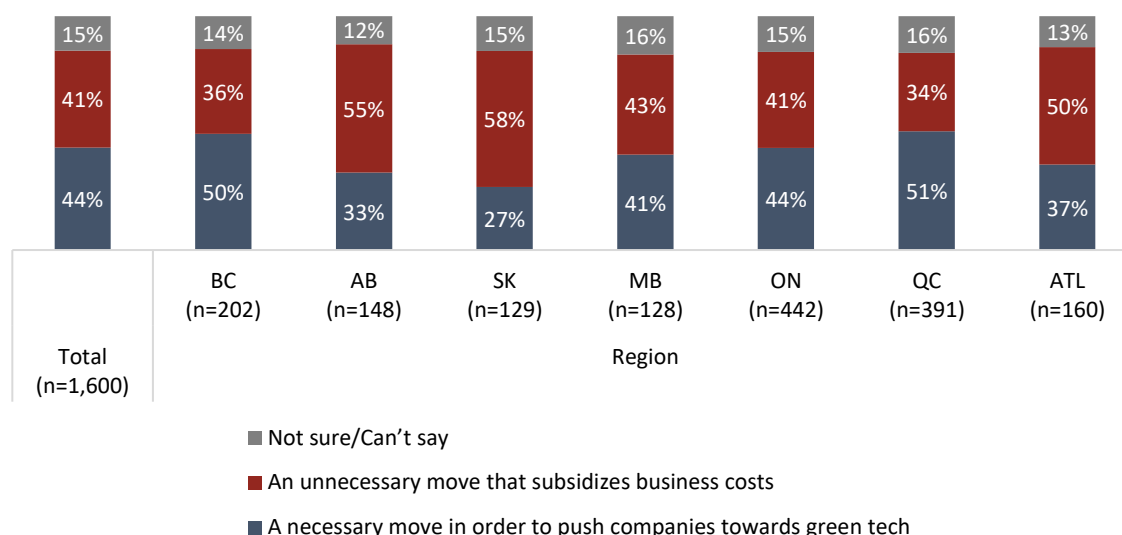
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
 Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

Canadians split on green tech tax credits

Prior to the release of the budget, [there had been sustained calls on](#) the federal government to match the tax credits and investments made in the U.S. with its Inflation Reduction Act, a broad piece of legislation which included significant subsidies towards low-carbon energy and clean technology industry. In a nod to their neighbour to the south, Freeland and the Liberals included [\\$35 billion of green industry tax credits](#) in its budget. The bulk of the \$35 billion in credits, \$26 billion, is tabbed for [investments in producing and transmitting low carbon electricity](#).

Canadians are split as to whether these tax credits were necessary to push companies towards green tech (44%) or an unnecessary subsidy to businesses (41%). Those in B.C. and Quebec, home to the [second- and third-most clean tech companies in the country according to the federal government](#), are the most likely to believe the tax credits were necessary. Those in Alberta, which has the fourth-most, and Saskatchewan are the most likely to say they are unnecessary:

This budget also introduced new clean energy/technology tax credits for businesses worth about \$35 billion. Would you say this is:

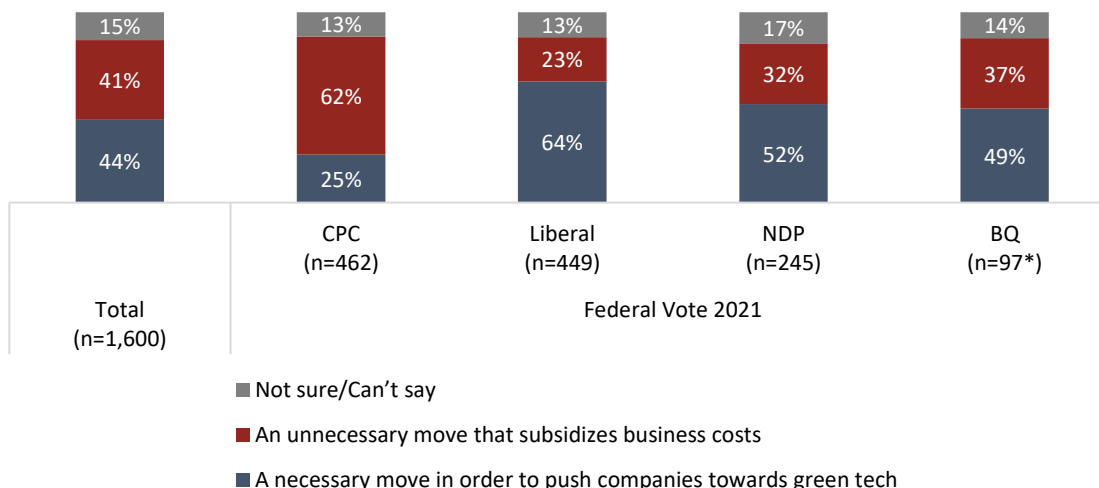


Past CPC voters, who are [typically less likely to believe the environment and climate change represent an important issue facing the country](#), are more likely than other groups of past party supporters to believe the \$35 billion of clean energy/technology tax credits are unnecessary, at 62 per cent. Majorities of past Liberal (64%), NDP (52%) and half (49%) of past Bloc Québécois voters believe they were necessary to spurn green technology:

CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

This budget also introduced new clean energy/technology tax credits for businesses worth about \$35 billion. Would you say this is:



**Smaller sample size, interpret with caution*

For detailed results by age, gender, region, education, and other demographics, [click here](#).

For crosstab data including views of spending and financial well-being, [click here](#).

For detailed results by respondents' answer to how much a billion dollars is, [click here](#).

CONTACT:

Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org