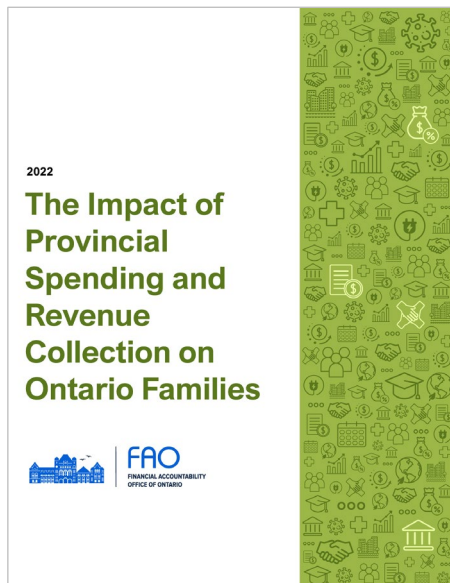


Impact of Provincial Spending and Revenue Collection on Ontario Families

Briefing Deck



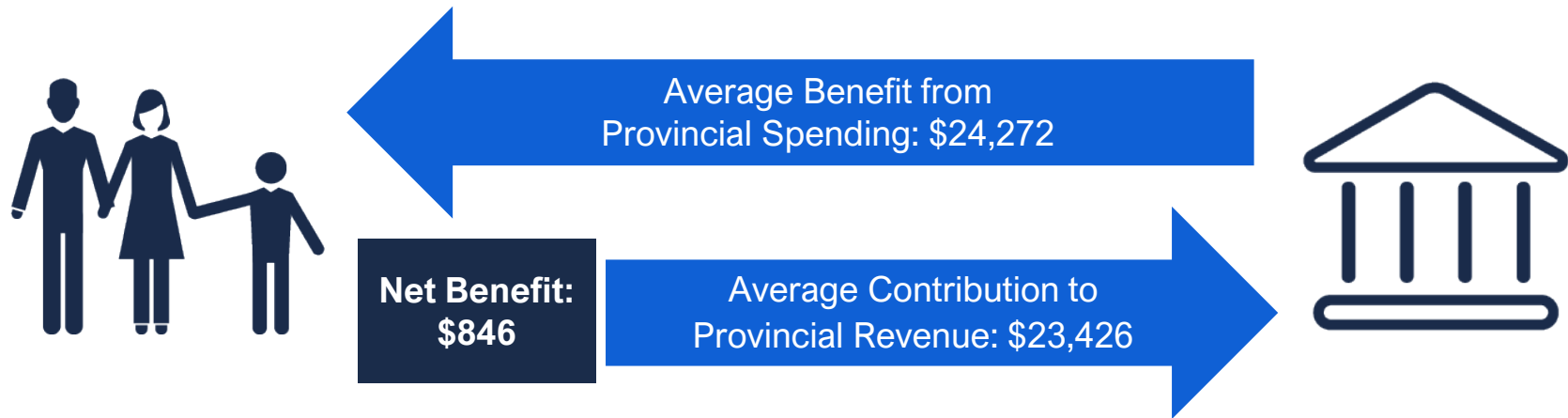
Purpose and Scope of FAO's Report



- This report analyzes Ontario families' contributions to provincial government revenues and the benefits they receive from provincial government spending.
- Importantly, the report uses averages for key family characteristics, such as family size and the age of its members.



Overall, Ontario's 6.5 million families averaged a net benefit from provincial revenue collection and spending in 2019-20

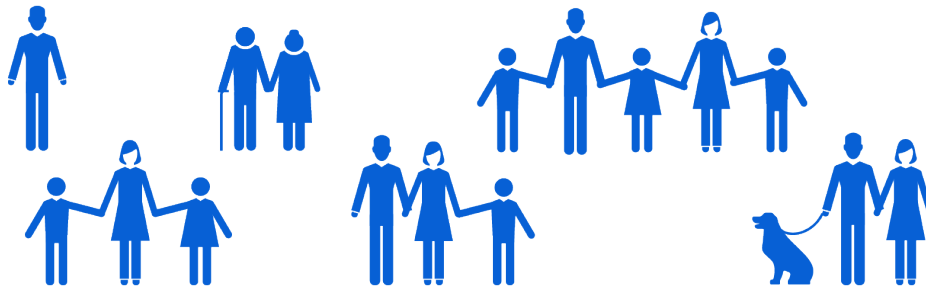


Note: "Families" refers to "couples living together, with or without children, and lone parents living with their children" (Statistics Canada's definition of a census family) and single persons.
Source: FAO.



Ontario families' net position varied widely

- 60 per cent of Ontario families were “net beneficiaries”
- 20 per cent of Ontario families were in a “net neutral” position
- 20 per cent of Ontario families were “net contributors”



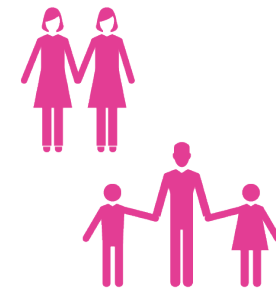
Net beneficiary

3.9 million families (60%) received more in provincial services than they paid in revenue to the Province



Net neutral

1.3 million families (20%) paid about the same amount in revenue to the Province as they received in services



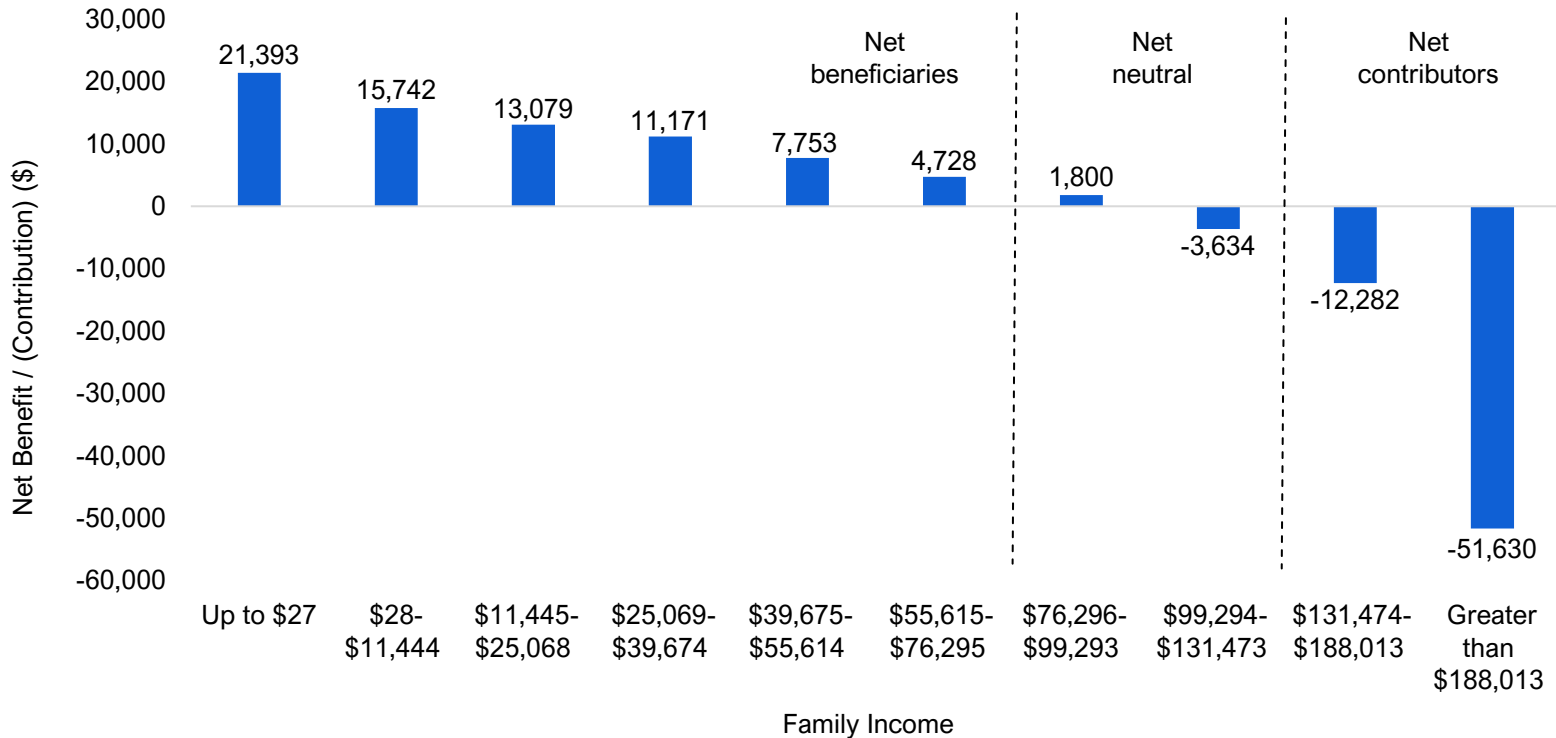
Net contributor

1.3 million families (20%) paid more in revenue to the Province than they received in services



Families' net position sorted by income

- The net position for each Ontario family differed depending on a variety of factors, the most important of which was the family's income.



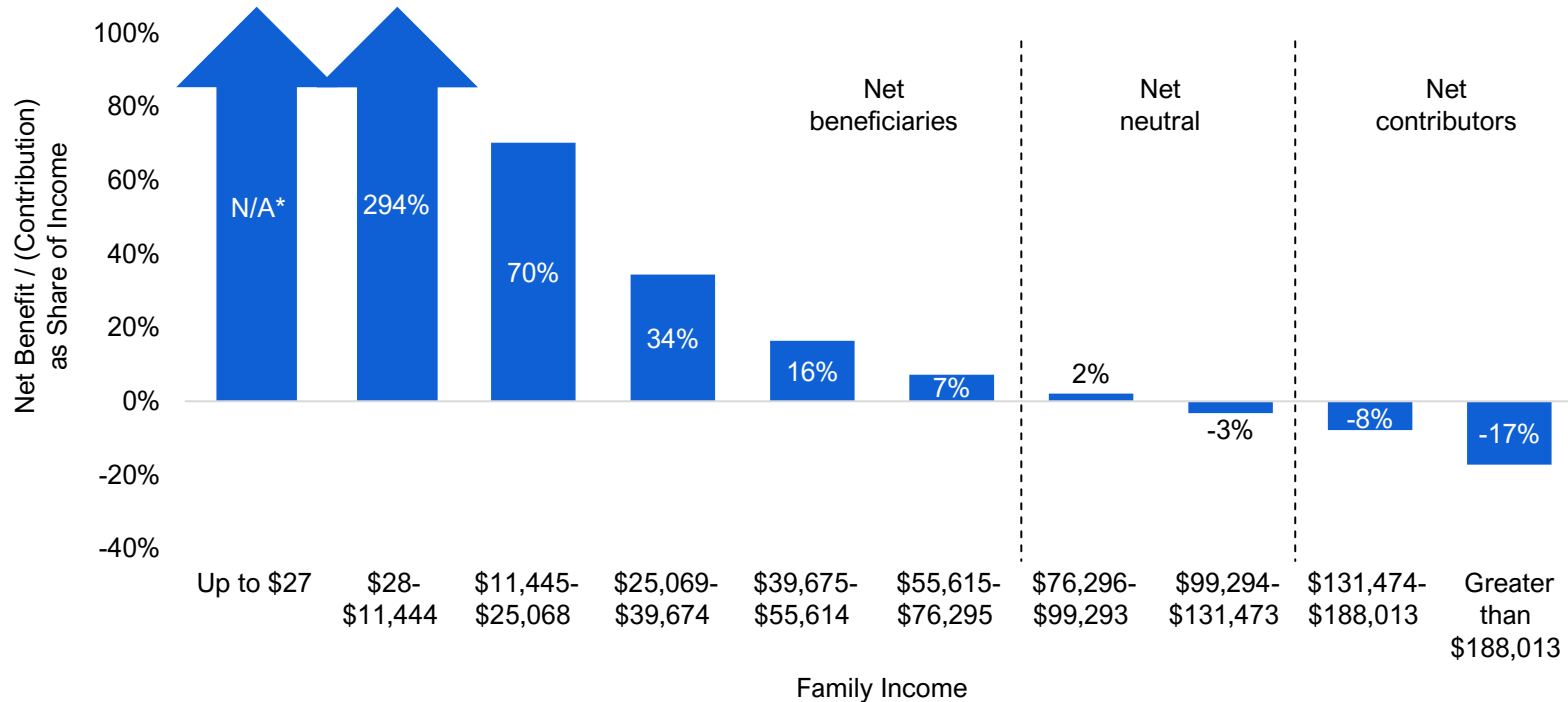
Note: "Family" refers to "couples living together, with or without children, and lone parents living with their children" (Statistics Canada's definition of a census family) and single persons. "Income" refers to market income, which includes before-tax income generated through employment, investments, retirement pensions and annuities, and excludes income from government transfers. Income deciles reflect equal-sized groups of Ontario families, ordered from lowest to highest income. Each decile contains 10 per cent of Ontario's 6.5 million families in 2019-20, or approximately 650,000 families.

Source: FAO.



Net position as a share of income

- The net benefit as a share of income for lower-income families is more significant than the net contribution as a share of income provided by higher-income families.



* Many families in the first income decile (with earnings up to \$27) earned no market income or may have experienced market income losses. As such, net contribution as a share of income is not calculated for families in this decile.

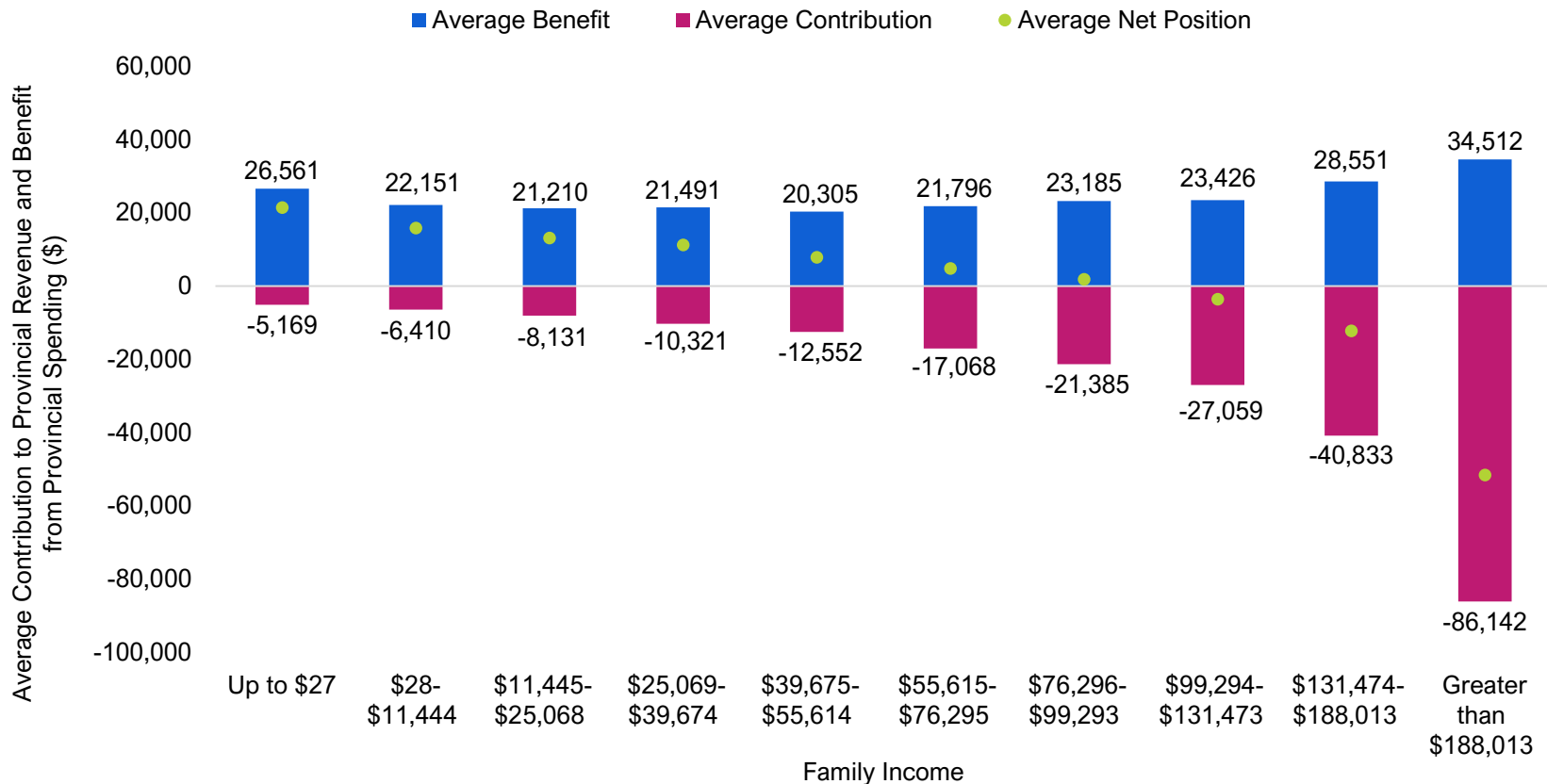
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Source: FAO.



Average benefit from provincial spending and contribution to provincial revenue



Note: "Family" refers to "couples living together, with or without children, and lone parents living with their children" (Statistics Canada's definition of a census family) and single persons. "Income" refers to market income, which includes before-tax income generated through employment, investments, retirement pensions and annuities, and excludes income from government transfers. Income deciles reflect equal-sized groups of Ontario families, ordered from lowest to highest income. Each decile contains 10 per cent of Ontario's 6.5 million families in 2019-20, or approximately 650,000 families.

Source: FAO.



Thank you!



FAO

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