Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

May 22, 2026

Recommendations for the 2026 Federal Budget:

1. **Leverage federal investments to build inclusive workforce pathways and strengthen economic growth:** Invest in demand-driven skills development programs that create a pipeline of skilled labour for large federal infrastructure projects and embed a commitment to community benefits and social procurement to strengthen inclusive employment outcomes.

2. **Invest in youth to build a stronger, more resilient Canada:** Strengthen and modernize youth employment supports by positioning programs such as Canada Summer Jobs within a broader, year-round employment framework that enables sustained employment and embeds wraparound supports.

3. **Build a more stable and resilient housing system in Canada:** Strengthen the National Housing Strategy and leverage Build Canada Homes to expand and preserve non-market and deeply affordable housing, ensuring long-term stability for households facing the greatest need.

Community Services as Core Infrastructure for a Resilient Economy

As the largest funder of community services in the GTA outside government, United Way Greater Toronto (UWGT) plays a critical role in strengthening the region's social and economic infrastructure. Through ongoing assessment of community needs, targeted responses to emerging priorities, and sustained investment in frontline and system capacity, UWGT helps ensure people are housed, healthy, and connected to work and opportunity. By convening employers, community organizations, and all orders of government across Peel, Toronto, and York Region, UWGT aligns resources, alleviates system pressures, and supports a more productive, resilient regional economy.

UWGT welcomes the opportunity to contribute to the 2026 Federal Budget and recognizes the Government of Canada's efforts to support all Canadians during a period of economic uncertainty, including measures such as the Canada Grocery Benefit, automatic tax filing, and adjustments to Employment Insurance. These initiatives provide an important foundation to grow stability.

At the same time, ongoing tariff and trade disruptions reinforce the importance of strengthening domestic growth and diversifying economic drivers. Strategic investment in the care economy is central to this effort. The charitable and non-profit sector, contributing 13.5% of GDP – more than manufacturing (8.6%) and construction (7.3%)[1] – is a critical economic enabler but is facing increasing financial strain. Funding reductions across all orders of government are forcing organizations to scale back services and staffing at a time when demand is rising. This erosion of frontline capacity weakens Canada's ability to fully mobilize its workforce and sustain economic growth.

The community services sector must be recognized as core social and economic infrastructure. By addressing barriers to employment, stabilizing households, and connecting people to opportunity, it enables workforce participation, unlocks labour supply, and reinforces long-term economic and social stability. Sustained and stable federal investment is essential to translating public spending into inclusive economic outcomes. Strengthening this sector is not ancillary to growth, it is foundational to a more resilient economy. Aligning infrastructure, workforce, and social investments will better connect people, particularly those facing barriers, to opportunity while ensuring that economic growth is both durable and broadly shared.

Drawing on its experience convening cross-sector partners and delivering integrated, place-based solutions, UWGT looks forward to partnering with the federal government, including in collaboration with the broader United Way Centraide movement, to advance coordinated approaches that strengthen workforce participation, support communities, and maximize the impact of public investments.

Recommendations

1. **Leverage federal investments to build inclusive workforce pathways and strengthen economic growth**

The federal government has taken important steps to recognize the value of community benefits in large-scale investments, creating an opportunity to better align public spending with strategies that strengthen and diversify Canada's workforce. However, as infrastructure investments accelerate, persistent skilled labour shortages, combined with systemic barriers limiting participation among youth, newcomers, low-income individuals, and racialized communities, continue to constrain productivity, infrastructure delivery, and economic growth.

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[1] Statistics Canada. Table 36-10-0434-03 Gross domestic product (GDP) at basic prices, by industry, annual average (x 1,000,000) via Armine Yalnizyan.

Aligning infrastructure investments with workforce development offers a clear solution. Evidence from community benefits and social procurement shows that setting expectations for local hiring, training, and inclusive procurement strengthens economic returns. Initiatives such as UWGT's Inclusive Local Economic Opportunity (ILEO), which brings together employers, developers, unions, and community partners, demonstrate how linking major developments to local hiring, training, and wraparound supports can reduce regional disparities and expand access to opportunity, and provides a scalable model the federal government can leverage to embed community benefits into major infrastructure investments.

A more coordinated workforce development approach, one that integrates infrastructure investments, youth employment programs, skills training, and wraparound supports, would enable temporary opportunities to become sustained career pathways while strengthening Canada's labour supply. To realize this opportunity, UWGT recommends that the government:

- Align major infrastructure investments with demand-driven workforce development strategies, including clear community benefits frameworks that prioritize local hiring, inclusive procurement, and skills training.
- Invest in community-based organizations to deliver job readiness, sector-specific training, and the wraparound supports necessary to ensure workforce participation and retention, particularly for youth and individuals facing barriers.

By leveraging existing investments to connect people to opportunity, the federal government can address critical labour shortages, accelerate infrastructure delivery, and ensure that economic growth is both inclusive and sustained. A strong, diverse workforce is not only a social priority, but also a fundamental condition for building a more resilient and prosperous Canadian economy.

2. Invest in youth to build a stronger, more resilient Canada

Young people are critical to Canada's economic future, yet too many are being left behind in today's labour market and face rising unemployment, barriers to work experience, and deep financial instability. In February 2026, Statistics Canada reported 84,000 jobs lost across the country, over half being categorized as 'youth jobs', which continues to push youth unemployment in Ontario to more than two per cent higher than the national rate at 16.3%.[2] Youth unemployment rates continue to rise most intensely in Toronto, now outpacing the provincial average at nearly 20%.[3]

Investing in youth is one of the most effective ways to strengthen our workforce and grow our economy. UWGT welcomes the federal government's recent commitments to strengthen youth employment and skills development, which signal an important recognition of both the urgency of this issue and the role young people play in Canada's long-term prosperity. Building on this momentum will be critical to ensuring these investments reach the scale and impact required.

UWGT's experience delivering workforce development programs and wraparound supports for youth demonstrates how community-based approaches can effectively connect young people to employment and sustain long-term labour market attachment. Early and meaningful connections to work improve lifetime earnings, increase labour force participation, and reduce future strain on income supports, healthcare and the justice system. Conversely, prolonged unemployment can entrench economic exclusion and weaken earning potential for young people. Supports to boost youth employment must be modernized, expanded, and positioned within a year-round youth workforce development framework that not only connects youth to opportunity, but provides the supports required to achieve lasting employment outcomes. Canada cannot afford to leave a generation behind.

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[2] Statistics Canada, Labour force characteristics, monthly, seasonally adjusted and trend-cycle.
[3] Fraser Institute, Toronto's unemployment rate remains high—particularly for young people

Canada Summer Jobs (CSJ) is a proven program supporting youth employment, with over 2,000 placements in the GTA in 2026 and many more across Ontario. Despite its success in creating entry points to the labour market, CSJ is not meeting the scale of youth employment need. Job allocations do not reflect regional demand, and program timelines limit effectiveness. With applications closing in December and funding decisions not confirmed until mid-April, employers and students face compressed and often impractical hiring periods. At the same time, funding has eroded, with fewer positions and shorter placements. Roles that once lasted 10-12 weeks are now as short as six, reducing their value, particularly for post-secondary students who require longer placements.

Strengthening youth employment investments requires a shift beyond a short-term 'summer jobs' toward meaningful, career-building experiences. Temporary roles can serve as pathways to long-term employment when paired with wraparound supports such as pre-employment training, mentorship, and mental health services. A more coordinated approach integrating structured learning, work-integrated experiences, and wraparound supports would enable youth employment programs to serve as effective on-ramps to sustainable careers.

To ensure that investments in youth catalyze long-term employment, and with it, economic growth, UWGT recommends that the government:

- Position youth employment programs within a year-round workforce development framework that incentivizes structured learning, longer, multi-term or flexible placements, and that support pathways to further training or work opportunities.
- Improve CSJ accessibility by adjusting the timeline and approving longer summer placements for non-profits that serve as critical employment entry points. Opening applications in October and informing employers in early January would support better planning, reduce administrative burden, and improve program outcomes.
- Partner with community organizations to strengthen wraparound supports for youth in employment programs and better address participation barriers to ensure that investments deliver lasting employment outcomes.

At a time when youth in the GTA face persistently high unemployment, enhancing investments in youth employment, such as CSJ, is both timely and necessary. By equipping young people with meaningful work experience, targeted supports, and clear pathways to employment, the government can unlock talent and ensure the next generation is equipped to contribute fully to building more resilient communities and a stronger Canadian economy.

3. Build a more stable and resilient housing system in Canada

The scale of housing need in the GTA highlights the urgency of sustained federal leadership in affordable and deeply affordable housing. Core housing need has reached critical levels, with one in five households in both Toronto and Peel Region, and nearly 13% of households in York Region, unable to access housing that is affordable, suitable, and in adequate condition. In addition to funding essential housing-related services across the GTA, UWGT supports models and partnerships that advance innovative, evidence-based solutions that integrate housing with health and social supports to improve outcomes and reduce system costs. UWGT is a founding partner of the Social Medicine Initiative, for example, which has demonstrated a $2.1 million cost savings by reducing emergency department visits by 52% and hospital stays by 79% among its 51 Dunn House residents.[4]

The federal government has demonstrated important leadership through investments in affordable and deeply affordable housing and by recognizing the central role that non-market housing plays in meeting the needs of Canadians. UWGT recommends building on this leadership by aligning investments across governments, prioritizing the protection and expansion of affordable and

[4] University Health Network Foundation 2025.

supportive housing, and integrating housing with income, health, and social supports. A sustained, partnership-based approach across provinces, municipalities, and community providers is essential to scale supply and prevent homelessness.

To strengthen coordination and long-term impact, UWGT recommends that the government:

- Prioritize non-market and co-op housing within Build Canada Homes, with long-term, predictable funding, coordinated provincial supports, and partnerships with community providers.
- Grow sector capacity to support community housing and homelessness system infrastructure and enable local delivery at scale.
- Invest in urban, rural and northern Indigenous housing, taking a for-Indigenous, by-Indigenous approach.
- Protect low-income households by extending federal rental assistance programs.
- Ensure sustained funding for Reaching Home to support community planning and investment to end homelessness.

Protecting, scaling, and growing community housing strengthens an inclusive economy, enhances stability for individuals and families, and advances progress toward realizing the right to housing.

Conclusion

The 2026 Budget is a critical opportunity to drive inclusive economic growth through strategic investments that strengthen Canada's workforce, support young Canadians in their economic future, and catalyse non-market housing development to address the housing crisis. UWGT looks forward to working with the federal government to advance community-informed, data-driven solutions that deliver measurable economic and social returns.

UWGT also endorses the recommendations put forward by United Way Centraide Canada (UWCC), including calls for targeted action to strengthen community service capacity, renewing the National Housing Strategy with a focus on supportive and deeply affordable housing, enhancing income security for low- and moderate-income households, and supporting workers through economic disruptions.