

Canada Alberta Job Grant Needs to Allow for Family Business Applicants

Policy Proposal from the Lacombe & District Chamber of Commerce Policy Committee

Issue

In its current format, immediate family of company owners are ineligible to receive funding for any training through the Canada Alberta Job Grant. This includes adult children who are actively contributing to the business who may or may not already have a management role, or who intend to take over management or ownership in the future.

Background

The Canada-Alberta Job Grant was created in October of 2014, with the goal of assisting business owners with recruitment and retention of employees through subsidized training. Individual employers have a cap of \$300,000 per year, with a \$10,000 cap on any existing individual employee. The cap is raised to \$15,000 if the employer was hiring an Albertan who was not currently employed.

Since its establishment, an average of 1750 unique employers have accessed the program each year. “In 2017/2018, more than 10,000 Albertans participated in training through the Canada-Alberta Job Grant, which was launched in 2014. In its fourth year, Canada-Alberta Job Grants totaling \$19.1 million were committed to 2,140 employers. Of the 10,650 that participated in training, 99 per cent were employed prior to commencing training.”¹

A statement from the Applicant Guide reads: “The Canada-Alberta Job Grant (CAJG) is an employer-driven program that helps employers invest in training for their current and future employees. The goals of the CAJG are to increase participation of Albertans in the labour force by helping them develop the skills they need to find and keep a job. The CAJG is also an opportunity for employers to invest in training that is better aligned to job opportunities.”

The concern raised by business owners is regarding the eligibility requirements; namely, the exclusion of ‘immediate family of the company owners’. This exclusion is prohibitive to many businesses who would benefit from this program. According to research by the Alberta Business Family Institute (ABFI), “family-owned business generates approximately 60% of Canada’s Gross Domestic Product; employs 6 million workers in Canada (both full time and part time); creates 70% of all new jobs in North America and provides 55% of all charitable donations.”

¹ <https://open.alberta.ca/dataset/8c0c0ec0-48ec-433f-b205-8183ce40f281/resource/322ee036-c235-4390-9347-99ce5bba5965/download/cajf-annual-report-2017-2018.pdf>

Even though family-owned business has such a large impact on the Canadian (and Albertan) economies, 70% fail before being passed onto the second generation². Would these businesses not benefit from the same program that was developed in order to “help(s) employers invest in training for their current and future employees.”?

After 4 full years and several thousands of employers and employees benefiting from the Canada Alberta Job Grant, it can be said that it is a worthwhile program, but a large segment of Albertan employees does not have the opportunity to further their training or education because they have chosen to be part of their family-owned business and/or succession plan.

As stated in the Diversity and Inclusion Policy found on the Government of Alberta website, the GOA focuses on making equality, fairness and inclusivity within the workplace a primary concern. The proposed changes to this grant are in line with those priorities. All employees are subject to the same requirements when it comes to taxes, worker’s compensation, and others in the attempt to achieve fairness in the workplace; Family farms are a great example of this after recent changes to the ‘Enhanced Protection for Farm Protection Act’. Our goal simply, is to ensure fairness to all employees by changing the ineligibility clause for immediate family of business owners. We don’t recommend preferential treatment, we recommend fair treatment.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Change the eligibility requirements to allow family members who are meaningfully employed and those who are self-employed in a business to access funding.

² <https://www.ualberta.ca/business/centres/family-business>