



\$20 Billion New Funding by Trudeau: No Canadian Left Behind

Description

Word is spreading that the Trudeau administration plans to allocate billions of dollars more for [new programs](#). An unidentified senior government official said it might be an annual permanent spending or a longer-term social program, coupled with green initiatives.

According to the unrevealed source, the amount could be around \$20 billion. The finance department must determine first if there's an available fiscal room. The same official also said it's a ballpark figure, as there's no fixed budget yet. Finance Minister Chrystia Freeland might announce the plan during her fiscal update later this month.

COVID-19 exposed fundamental gaps in society and the country. As early as September 2020, Canadian Prime Minister Justin Trudeau was intimating the need for sweeping changes to Canada's social welfare system.

Long-term ambition

The government appears bent on putting a dollar value on a longer-term ambition by the Prime Minister. If the plan pushes through, child care, prescription drugs and other long-term priorities will receive more funding. It might also include one-off funding for [climate change](#) and environmental projects.

Freeland pledges the government will do away with the "whatever it takes" approach to emergency aid related to COVID-19. There will be guardrails attached to the program. The country's budget deficit is mounting, but in defence of the plan, the finance minister said, "The risks of fiscal inaction outweigh the risks of fiscal action."

Two-part program

The anonymous official adds it could be a two-part program with the first part focusing on helping Canada weather the second wave of COVID-19 cases. The second part would center on growth and

post-pandemic spending, although the government will present the details in a full budget in early 2021.

Investors should be shifting attention to renewable energy stocks as the government moves toward cleaner, greener forms of energy. Canadian renewable companies will soon dominate the scene as fossil fuels fade into the sunset.

A potential gold mine

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)), backed by capital-rich **Brookfield Asset Management**, is a potential gold mine for dividend and risk-averse investors. This \$13.85 billion company has generated a total annualized return of 18% over the last 20 years. From here on, analysts forecast an average annual return of between 12% and 15%.

Countries like Canada and the U.S. need more renewable energy to achieve their carbon-reduction goals. According to Bloomberg New Energy Finance, Brookfield Renewable would be spending five times the \$2 trillion it spent to amass renewable assets over the last five years.

Brookfield Renewable is among the stock market's top performers thus far. The renewable utility stock is gaining by 61% year to date, while the dividend offer is a respectable 3.06%.

Now is the perfect time to ride on the green wave. Similarly, a Biden presidency should favour the company because he promised to lead a clean energy revolution when elected U.S. president.

Mitigating the bigger risk

Canada's budget deficit for fiscal year 2020 might hit a staggering \$343.2 billion. A conservative Liberal says the biggest risk is if government spending gets out of hand. Trudeau assures that he would not abandon fiscal sense while his administration balances economic inequities and ensure no Canadian will be left behind.

CATEGORY

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