



**Confederation
of Tomorrow**
SURVEY OF CANADIANS

Support for Equalization™

April 2022

**Environics
Institute**
For Survey Research

**Confederation
of Tomorrow**
SURVEY OF CANADIANS

**La Confédération
de demain**
MENÉ AUPRÈS DES CANADIENS

The Confederation of Tomorrow surveys are annual studies conducted by an association of the country's leading public policy and social research organizations: the Environics Institute for Survey Research, the Centre of Excellence on the Canadian Federation, the Canada West Foundation, the Centre D'Analyse Politique – Constitution et Fédéralisme, and the Brian Mulroney Institute of Government. The surveys give voice to Canadians about the major issues shaping the future of the federation and their political communities. The 2022 study consists of a survey of 5,461 adults, conducted online in the provinces between January 18 and February 10; and by telephone in the territories between January 6 and 30. For more information about the survey, contact info@environicsinstitute.org.

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Executive summary

Equalization is one of several major federal transfer programs. Unlike other transfers, only less prosperous provinces receive equalization. Equalization has been criticized as unfair by premiers in some provinces that currently do not receive payments. The Confederation of Tomorrow 2022 Survey, however, finds that three in four Canadians – including majorities in every province – continue to support the equalization program. Support has held steady since 2019. The survey also finds that Canadians, including those living in non-recipient provinces, are more likely to favour increasing equalization payments than decreasing them. But many Canadians are unsure as to whether their province receives equalization. Even in Alberta, where the government recently held a referendum on equalization, only about one in two correctly say that their province does not receive payments. Overall, one in three Canadians favour restarting constitutional talks to negotiate significant changes to the way the country's wealth is shared across provinces through the equalization program; this proportion is higher in Alberta, but falls just short of a majority.

Sommaire

La péréquation est l'un des principaux transferts fédéraux. Contrairement aux autres transferts, les paiements de péréquation ne sont offerts qu'aux provinces les moins prospères. Les premiers ministres de certaines provinces qui ne reçoivent actuellement pas de paiement dénoncent la péréquation, qu'ils qualifient d'injuste. Toutefois, le sondage sur la Confédération de demain 2022 révèle que trois Canadiens sur quatre – notamment une majorité dans toutes les provinces – continuent d'appuyer le programme de péréquation. Cet appui est demeuré stable depuis 2019. Le sondage démontre aussi que les Canadiens, y compris ceux qui vivent dans les provinces qui ne reçoivent aucune prestation, sont plus susceptibles d'être en faveur de l'augmentation des paiements de péréquation qu'en faveur de leur diminution. Cependant, beaucoup de Canadiens ne peuvent pas affirmer avec certitude si leur province reçoit des paiements de péréquation. Même en Alberta, où le gouvernement a récemment tenu un plébiscite sur la péréquation, seulement environ une personne sur deux a correctement répondu que la province ne reçoit pas de paiement. Dans l'ensemble, un Canadien sur trois se dit en faveur de la reprise des pourparlers constitutionnels pour négocier des changements importants à la façon dont les richesses du pays sont réparties entre les provinces par l'entremise du programme de péréquation. Cette proportion est plus élevée en Alberta, mais est légèrement inférieure à la majorité.

Background

The federal government issues billions of dollars in payments to provinces every year through a series of fiscal transfers, including the Canada Health Transfer (CHT), the Canada Social Transfer (CST) and the equalization program. While all provinces receive CHT and CST payments, only some provinces receive equalization. “Equalization,” [the federal government explains](#), “enables less prosperous provincial governments to provide their residents with public services that are reasonably comparable to those in other provinces, at reasonably comparable levels of taxation.” Currently, five provinces (Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Manitoba) receive equalization payments; the other five (Newfoundland and Labrador, Ontario, Saskatchewan, Alberta and British Columbia) do not.

In recent years, the program has been criticized by premiers in some jurisdictions, notably [Alberta](#) and [Saskatchewan](#). As their resource-based economies slumped, these provinces encountered growing financial difficulties. But, because they nonetheless remained wealthier than most, they still did not qualify for equalization. This [perceived unfairness](#) prompted the Government of Alberta to hold a referendum in October 2021 on the question of whether the section in the Canadian Constitution requiring the federal government to make equalization payments should be rescinded.¹ The referendum passed with [the support of 62 percent](#) of those casting a vote. But as only a minority of voters ([estimated at 39%](#)) participated in the exercise, it was not clear whether the result reflected the views of most Albertans.

Support for equalization

Three in four Canadians – including majorities in every province – continue to support the equalization program. Support has held steady since 2019.

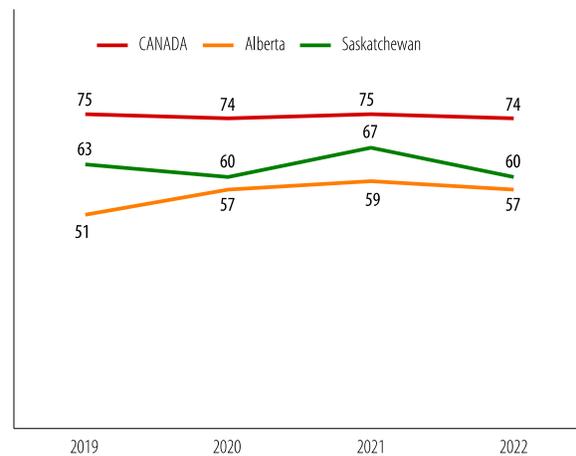
The Confederation of Tomorrow Survey of Canadians tracks support for the equalization program. The survey states that “under the federal equalization program, the federal government transfers money to the poorer provinces, in order to ensure that Canadians living in every province have access to similar levels of public services.” It then asks Canadians whether they support or oppose the equalization program.

In January 2022, three in four Canadians (74%) said they supported the program, while only 16 percent opposed it, and 11 percent took no position either way. This level of support has held steady since 2019.

¹ The [referendum question](#) was “Should Section 36(2) of the *Constitution Act, 1982* — Parliament and the Government of Canada’s commitment to the principle of making equalization payments — be removed from the Constitution?”

The equalization program is supported by majorities in every province. Levels of support are similar between those living in provinces that receive equalization payments (75%), and those that do not (73%). Support is highest in the Maritimes (83%); and somewhat lower in Saskatchewan (60%) and Alberta (57%). In Alberta, one in three (34%) currently oppose the program. But opposition to the equalization program in these two provinces has remained stable (it has not been growing).

Support for equalization
2019 – 2022 Strongly/somewhat support
By province



Q.17

As you may know, under the federal equalization program, the federal government transfers money to the poorer provinces, in order to ensure that Canadians living in every province have access to similar levels of public services. How much do you support or oppose the equalization program?

Opinions on the equalization program 2019 – 2022 By province

PROVINCE	OPINION	2019	2020	2021	2022	PROVINCE	OPINION	2019	2020	2021	2022
TOTAL (CANADA)	Support	75	74	75	74						
	Oppose	17	16	13	16						
Prince Edward Island	Support	76	85	86	87	Newfoundland and Labrador	Support	79	83	77	73
	Oppose	7	2	5	8		Oppose	11	10	9	12
Nova Scotia	Support	88	84	86	82	Ontario ²	Support	78	76	77	79
	Oppose	7	7	4	8		Oppose	15	15	12	13
New Brunswick	Support	80	80	78	84	Saskatchewan	Support	63	57	59	60
	Oppose	8	8	6	8		Oppose	29	29	22	28
Quebec	Support	80	77	78	73	Alberta	Support	51	57	59	57
	Oppose	10	10	8	11		Oppose	40	34	30	34
Manitoba	Support	81	79	81	77	British Columbia	Support	72	72	75	72
	Oppose	9	12	10	15		Oppose	17	18	15	18
All recipient provinces	Support	81	78	79	75	All non-recipient provinces	Support	72	72	73	73
	Oppose	10	9	8	11		Oppose	20	19	16	18

Q.17

As you may know, under the federal equalization program, the federal government transfers money to the poorer provinces, in order to ensure that Canadians living in every province have access to similar levels of public services. How much do you support or oppose the equalization program?

Changes to equalization payments

Overall, Canadians are twice as likely to favour increasing equalization payments than decreasing them.

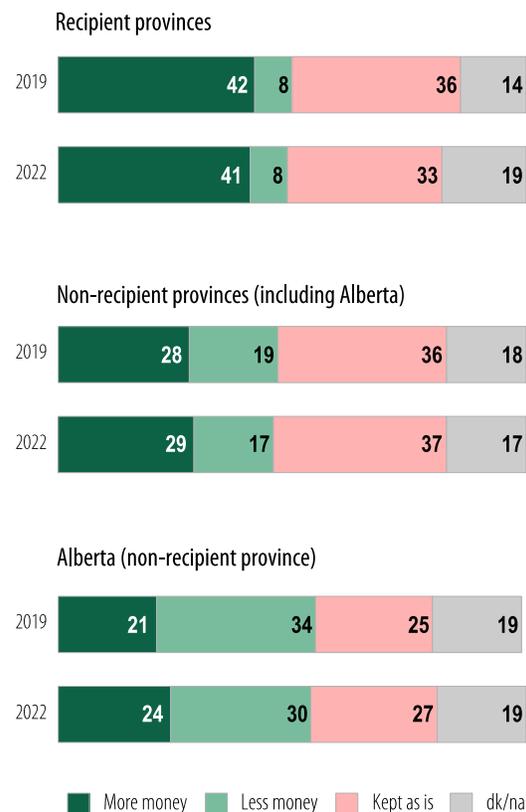
The survey also asked Canadians whether there should be any changes to the amounts of money that the federal government transfers to the poorer provinces through the equalization program. There is no consensus on this question: 35 percent of Canadians favour the status quo, 33 percent say that equalization transfers should be increased, 14 percent prefer to see transfers decreased, and 17 percent offer no opinion either way. There has been no change in preferences since this question was last asked in 2019.

² At the time of the January 2019 survey, Ontario was a recipient province (in the 2018-19 fiscal year), but was transitioning to a non-recipient province (in the 2019-20 fiscal year). It is included as a non-recipient province in all survey years in this table for the sake of consistency.

Overall, Canadians are twice as likely to favour increasing equalization payments as they are to favour decreasing them. Not surprisingly, the margin is wider in the five recipient provinces (where 41% want to see transfers increased, and only 8% favour a decrease), and narrower in the five non-recipient provinces (where 29% favour an increased, and 17% a decrease). Alberta is the only province where a higher proportion favours a decrease (30%) than an increase (24%). However, the proportion of Albertans favouring a decrease in equalization transfers to poorer provinces is slightly lower than it was in 2019 (34%).

Changes to equalization

2019 – 2022 By province



Q.18

And do you think that the equalization program should be changed so that the federal government transfers more money to the poorer provinces, less money to the poorer provinces, or should the program be kept as it is now?

Awareness of the equalization program

One in two Canadians living in provinces receiving equalization payments are aware that their province receives this transfer from the federal government. But among those living in provinces that do not receive equalization payments, fewer than one in three are aware of this fact.

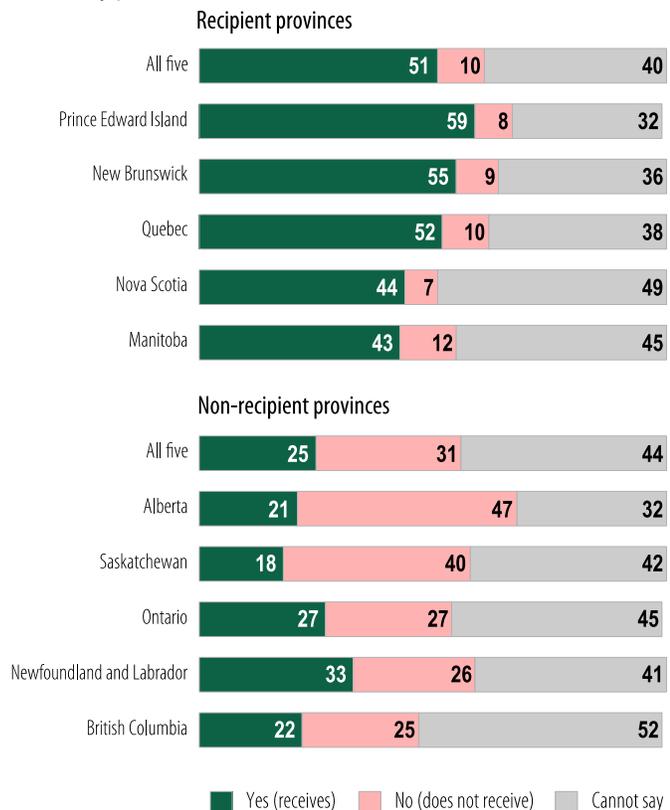
Equalization is notorious for being [poorly understood](#). It is sometimes misrepresented as a program that transfers money from richer to poorer provinces (in fact, the program transfers federal government revenues collected from individuals and corporations in all 10 provinces). And the method for determining which provinces qualify to receive equalization, and in what amounts, is highly technical. It is perhaps not surprising, then, that many Canadians are unsure as to whether their province receives equalization payments or not.

One in two Canadians (51%) living in provinces receiving equalization payments are aware that their province receives this transfer from the federal government. However, 40 percent cannot say either way. Only 10 percent mistakenly say that their province does not receive equalization payments.

Those living in provinces that do not receive equalization payments are less likely to be aware of this fact. Overall, in these five provinces, 31 percent correctly say that their province does not receive equalization payments. A somewhat higher proportion (44%) cannot say, and a somewhat lower proportion (25%) mistakenly says that their province does receive payments under the equalization program.

Among those living in the five non-recipient provinces, Albertans are the most aware that their province does not receive equalization payments. But even in Alberta, only about one in two (47%) give this correct answer. One in three Albertans (32%) cannot say, and 21 percent incorrectly say their province receives payments.

Awareness of province's status under the equalization program
2022 By province



Q.18

As far as you know, does [name of respondent's province] currently receive transfers from the federal government under the equalization program, or not

Most importantly, the proportion giving the correct answer, either in Alberta specifically or in all five non-recipient provinces taken together, has not changed since 2020. In fact, Albertans are now slightly less likely to provide the correct answer (the proportion of Albertans saying their province does not receive equalization payments fell from 54% in 2020 to 47% in 2022). This suggests that the October 2021 Alberta referendum, whatever its other merits, did not succeed in raising awareness in the province (or elsewhere in Canada) of how the program works.

Equalization and the Constitution

One in three Canadians, and almost one in two Albertans, favour restarting constitutional talks to negotiate significant changes to the way the country's wealth is shared across provinces through the equalization program.

When the Canadian Constitution was amended in 1982, [a clause was added](#) committing the federal government “to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.” As noted, the October 2021 Alberta referendum on equalization asked whether this clause should be repealed.

A change to the Constitution of this type cannot be made by any one province; it would require a negotiated agreement with the federal government and the other provinces. The idea of holding constitutional talks to address equalization, however, appeals to only about one in three Canadians.

Specifically, in Canada as a whole, 35 percent favour restarting constitutional talks to negotiate significant changes to the way the country's wealth is shared across provinces through the equalization program.³ A larger proportion (42%) prefers improving equalization as much as possible under Canada's current constitution; and 23 percent choose neither of these options or have no opinion.

Support for restarting constitutional talks to negotiate significant changes to the equalization program is no higher in the five provinces (taken together) that do not receive equalization (35%) than it is in the five provinces that do (35%). However, support for this option is higher in Alberta: 46 percent of Albertans want to restart constitutional talks to change equalization, compared to 33 percent of other Canadians. About a third of Albertans (35%) prefer to improve

³ This question was preceded by the following statement: “As you may know, in the 1980s and 1990s, the federal and provincial governments held talks to change Canada's Constitution. While some changes were made – such as the adoption of the Charter of Rights and Freedoms in 1982 – none of the reforms ever gained the agreement of all 10 provinces. Some people say we need to restart constitutional talks in order to make significant changes to the way Canada is governed. Others say that we should focus on improving our political system as much as possible under the terms of Canada's current Constitution.”

equalization as much as possible under Canada’s current Constitution, and 19 percent choose neither of these options or have no opinion.

Notably, a majority (69%) of Albertans who oppose the equalization program support restarting constitutional talks in this area – an indication of the strength of their feeling on the subject. Outside of the province, only 49 percent of those opposed the equalization program take the same position on the need for constitutional talks on the subject.

Equalization and regional grievances

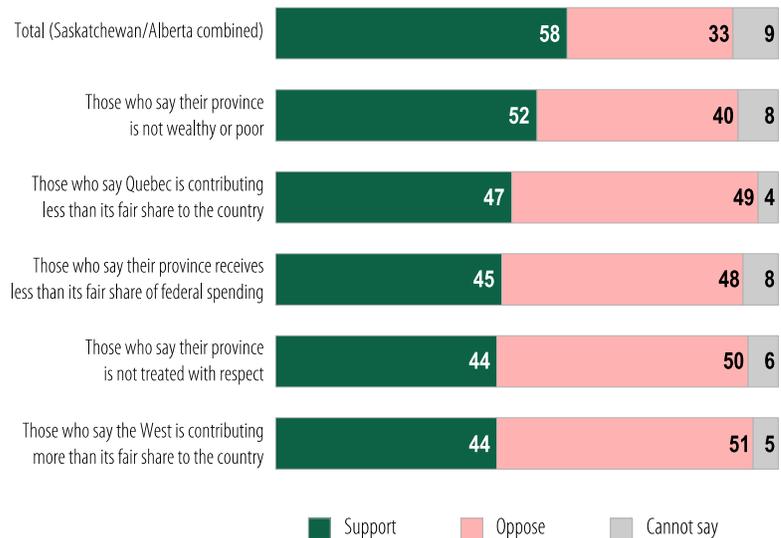
One in two residents of Alberta and Saskatchewan who feel the federal system does not treat them fairly are opposed to the equalization program.

Opinions on equalization reflect those on other issues related to the fairness of the federal system. This can be illustrated by looking more closely at the views of those in Saskatchewan and Alberta, where support for equalization is lowest. Overall, 58 percent of residents in those two provinces (combined) support equalization, while 33 percent are opposed. But support falls below 50 percent in these two provinces among those who say that their province receives less than its fair share of federal spending, or who feel their province is not treated with the respect it deserves. In these two provinces, support is also lower among those who feel that Quebec contributes less than its fair share to the country (47%) or that the West contributes more than its fair share (44%).

It is notable, however, that even among residents of Saskatchewan and Alberta who express these grievances, opinions on equalization remain fairly evenly divided, rather than strongly opposed. Opposition reaches only one in two.

Support for equalization

2022 By attitudes toward the federation (Alberta and Saskatchewan)



Q.18

And do you think that the equalization program should be changed so that the federal government transfers more money to the poorer provinces, less money to the poorer provinces, or should the program be kept as it is now?

Conclusion

The Confederation of Tomorrow 2022 survey suggests that the Alberta referendum on equalization, held in October 2021, had little impact on public opinion (either inside or outside of the province). Three in four Canadians continue to support the equalization program, including majorities in every province. Support for equalization has remained stable over the past four years. While support for equalization among Albertans is lower than in any other province, it has not changed since 2020 (and remains slightly higher than in 2019). Canadians' views on whether equalization transfers should be increased or decreased are also unchanged, compared to 2019.

Perhaps most surprisingly, the proportion of Canadians able to correctly say whether or not their province receives equalization payments has not changed since 2020. In fact, Albertans are slightly less likely to provide the correct answer in 2022 than they were in 2020. Regardless of one's position on equalization, it is possible that the debates held during the referendum campaign might have served to raise public awareness of how the program works – but this does not seem to have been the case.

One in three residents of Alberta and Saskatchewan, however, remain opposed to the equalization program, and this figure reaches one in two among residents of those provinces who feel the federal system does not treat them fairly. And a majority of Albertans who oppose the equalization program feel strongly enough about it that they would support restarting constitutional talks on the subject. The equalization program will likely remain a focal point for those in these two non-recipient provinces that are not satisfied with the way in which the country's wealth is shared.