

For Immediate Release

A Federal Budget with Mixed Benefits for Canadian Families

January 27, 2009 (Ottawa) - The Institute of Marriage and Family Canada was looking for tangible tax relief for Canadian families in this budget. "This budget takes steps in that direction," said Dave Quist, Executive Director. Low income families will be able to earn more before paying taxes and losing social benefits. Previously this double jeopardy forced many low-income, especially single parent families, to remain on social assistance programs. Middle income families will also see the same type of tax advantages.

"Unfortunately, family income splitting was not introduced in this budget," stated Quist. Under the proposed 2009 budget, a two income family of four earning \$60,000 would pay \$4415 in federal taxes. A single income family of four earning \$60,000 would pay \$6043, a difference of 37%. Quist explained: "Family income splitting would address this inequity head on. Considering the current economic climate, families earning less than \$60,000 would greatly benefit from income splitting."

"Furthermore, the new debt introduced under this budget will be added to the tax burden for all Canadians and this is a concern," continued Quist. "While the circumstances of the current economic situation are unique, we need to remember that future generations will be forced to carry this debt burden."

"While there are some positive steps for families in this budget, the IMFC reiterates the need for continued broad based income tax relief for families, which could be achieved through family income splitting," said Quist. "Our research shows Canadian families find finances to be one of the most stressful aspects of family life."

"Most families will see improvements to their family budget, however the long term debt burden is a cautionary flag for everyone," closed Quist.

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