

## HANDOUT 9.2: Key Political Terms and Concepts at the Federal Level

Below are some key terms and concepts that you may want to be familiar with at the federal level to help prepare you before or while taking the *Vote Compass: Canada Youth Edition* survey.

- **Economy:** The wealth and resources of a country or region, particularly in terms of the production and consumption of goods and services.
- **Budget:** A financial plan or forecast that shows a breakdown of money to be received and money to be spent for a specific period. The federal government releases an annual budget every spring.
- **Balanced Budget:** When the amount of revenue equals the amount of expenses.
- **Deficit:** When the government has more expenses than revenues, and must borrow money to cover the gap.
- **Debt:** The amount of money borrowed over time that the government needs to repay.
- **Taxes:** The federal government collects money from different sources to pay for its expenses. There are four main types.
  - **Personal Tax:** Money collected from individuals based on the money they make from jobs and investments.
  - **Corporate Tax:** Money collected from businesses, which is calculated based on their profits.
  - **Goods and Services Tax (GST):** Added to the cost of purchases and goods, such as clothing and fast food.
  - **Other Taxes:** Variety of other taxes such as import duties, fuel taxes and duties on alcohol and tobacco.
- **Transfer Payments:** Part of the federal government's spending relates to transfers made to individuals, provincial/territorial governments and other groups.
- **Transfers to Individuals:** Includes elderly benefits, employment insurance benefits (for those out of work or unable to work) and children benefits.
- **Provincial/Territorial Transfers:** There are three main types of transfers to the provinces and territories.
  - The **Canada Health Transfer** provides long-term funding for health programs and services.
  - The **Canada Social Transfer** includes funding for post-secondary education, social programs and services for children such as child care.
  - **Equalization programs** relate to payments to address economic gaps between provinces/territories.
- **Infrastructure:** Physical and organizational structures, such as buildings, roads, power supplies.
- **Crown Corporations:** Businesses owned by the government that operate independent of government, such as the CBC, Canada Post and Via Rail. They are intended serve a particular objective or fill a need that may not be filled by a private enterprise.
- **Equality:** A strategy to achieve fairness by treating everyone the same and providing equal opportunity.
- **Equity:** A strategy to achieve fairness by recognizing differences and providing everyone what they need to be successful.
- **Reform:** Changes made to a social, political, or economic institution or practice in order to improve it.