

A financial plan for the province

The provincial budget has been in the news lately and many people and organizations have had their say on why it's good, bad or indifferent. As chair of the St. John's Board of Trade, I am pleased with our organization's reaction and analysis because members have told us that it reflects their views as business people and as residents. I am also pleased with the process, because we went to government with solutions, not problems, and looked to help, not criticize for the sake of being quoted. Our members are making the St. John's Board of Trade the local business solution organization.

For our members, most of which are small businesses, we were encouraged to know that the small business tax threshold will be increased from \$400,000 to \$500,000. That helps 4,400 businesses in this province and many of our 700+ members. It means businesses in this community will keep more of their profits and they can use that to invest in employees, new markets and products, and help stave off an economic downturn.

Another initiative we like is funding to remove financial barriers that make it difficult for people to work. Our members have told us that finding and retaining labour can be difficult. Sometimes going to work means losing out on needed benefits, like drug coverage, and forces people to make a difficult choice. Continuing to remove barriers like this means more labour is available to support growth in industries like the resource and services sectors.

The Board also sees value in student debt relief and strong investment in the upcoming Youth Retention and Attraction Strategy. We proactively offered solutions to contribute to this youth plan, knowing that young men and women staying in the province means the success of our economy today remains for tomorrow. The Board looks forward to implementation of this strategy in the near future.

One last, big ticket item. Financial planning is near and dear to my heart. In fact, it is how I pay the bills. So when the provincial government reduces debt, I am encouraged.

The Board has long advocated for paying down the province's debt. This might seem like a standard policy for a group of business people, but it's the rationale that is important. Money invested in paying off debt is long term money that becomes available for other spending because it's not going to interest.

Let me elaborate. If an individual has \$10,000 in debt, they are paying hefty interest. If they pay off \$1,000 of the debt each year, it takes 10 years with simple math. It will hurt for those 10 years, but the real win is year 11, and 12 and every year after. Eliminating debt means freeing up money for every single year after. Everyone has needs now, but being out of debt gives you the opportunity to use all of your money at your discretion, not send it to creditors.

It's important that we keep that principle in mind when we think of what the provincial government has to manage. Are there initiatives that could have been funded, or received more money? Absolutely, of course. But if we look at it from the perspective of our children, then paying down our debt – individual and collective – allows them to reap the benefits. Let that be the legacy of our actions today.