



PRESS RELEASE

One-Third (34%) of Canadians Losing Sleep Over Pandemic Economy (+17)

Nearly Half (46%) of Canadians' Work Situation Affected; Job Uncertainty to Continue

Toronto, ON, June 22, 2020 — As the Canadian economy begins to re-open after months of being shuttered due to the COVID-19, many are wondering how long the recovery will last and whether they will be lucky enough to be spared the worst. A recent poll by Ipsos carried out on behalf of MNP LTD earlier this month has found that Canadians are increasingly concerned about the longer-term effects of the pandemic on the wider economy. One-third (34%) of Canadians say that economic concerns as a result of the pandemic keep them up at night, a seventeen-point jump from pre-pandemic levels measured in early March. The study also found that while families are keeping afloat during this difficult time, they remain worried about their job situation. For those who have lost their job due to virus, these jobs might not come back post-pandemic. For those who still have a job during this time, there is always the looming threat of cuts, furloughs, and layoffs.

Record Unemployment, Job Losses Nationwide

With unemployment hitting double-digit levels nationally, there is no doubt that COVID-19 has severely impacted many Canadians' already precarious financial situation. Almost 2 in 10 are either working reduced hours or receiving reduced pay (17%) or have lost their job (16%). In addition, 14% say someone in their household has lost their job and 9% say someone in their household is working reduced hours or receiving reduced pay. Just over half (54%) of Canadians can consider themselves lucky; they say that none of the situations apply to them.

Younger Canadians are more likely to have their work situation affected by the pandemic, given that they are the most likely to be in junior positions or working the service industry. In fact, a quarter (24%) of those aged 18-34 years saying they have lost their job (24%) or are working reduced hours/pay (24%). On the other hand, those aged 55+ are the most likely to say that they haven't seen any chance to their work situation due to COVID-19. This is understandable, given that many of them may already be out of the labour market.

Furthermore, government aid has been helping many Canadians during their time of need; one in ten (10%) say they are personally receiving CERB, 8% say someone in their household is receiving CERB, and a smaller number (2%) say they are receiving government support (such as CEWS, RRRF, BCAP, or CECRA) as a small business owner.



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Trouble on the Horizon?

Various relief measures from government, banks, and businesses have helped cushion the financial blow of the pandemic for many Canadian households, at least for the time being. As a result, Canadians are feeling slightly better about their personal financial situation during this difficult time. After reaching a record low in early March, the MNP Debt Index has lightly rebounded to stand at 96 points (+3). Compared to pre-pandemic levels, fewer Canadians say that what keeps them up at night are their bills (22%, -8), their level of debt (21%, -8), and being able to afford the necessities for their family (19%, -6).

Instead, Canadians are shifting their focus to worrying about bigger questions, like what kind of lasting effects the virus will have on the economy. In addition to being worried about the economic fallout from COVID-19, they are also increasingly worried about the state of the Canadian economy (29%, +7), and the chances of a recession (25%, +6).

Delaying the Inevitable?

Those in need have certainly welcomed the federal government's raft of COVID-19 aid programs, recently extended into mid-July. However, while various relief measures are providing some much-needed breathing room for many Canadians, this does not necessarily mean that their underlying financial problems have gone away. Even before the pandemic, many were feeling a tremendous strain on their pocketbooks, wondering how they would make ends meet. What will those receiving government aid do when these programs end?

For many who are currently receiving COVID-19-related government financial support, they say they will have to simply cut back any way they can when government support ends (46%). A third (32%) say they will apply for EI, followed by using their savings to pay bills (30%). What may be more troubling is that one-third (35%) say they will take on more debt when the aid comes to an end. This includes those who say they will use their credit cards to pay their bills (17%), borrow from friends or family (16%), use a line of credit to pay their bills (12%), take out a bank loan (7%), and use a payday loan service (4%).

Younger Canadians currently receiving government financial support due to COVID-19 are more likely to say they will take on more debt to make ends meet (45%), whereas older Canadians are the least likely to say they will resort to any of these measures when the aid ends (31% 'none of the above').



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Plans for When Government Support Ends

	Total <i>(among those receiving government COVID-19 support)</i>
Reduce my consumer spending or expenses	46%
Apply for EI	32%
Use my savings to pay bills	30%
Use my credit cards to pay bills (*)	17%
Borrow from friends or family (*)	16%
Sell my assets (car, investments, rental property, etc.)	13%
Use line of credit to pay bills (*)	12%
Take out a bank loan (*)	7%
Submit a consumer proposal to address my debt	7%
Declare bankruptcy	6%
Use a payday loan service (*)	4%
Sell my home	4%
(*) NET: Take on more debt	35%
None of the above	18%





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About the Study

These are some of the findings of an Ipsos poll conducted between June 1-2, 2020, on behalf of MNP LTD. For this survey, a sample of 2,001 Canadians aged 18 years and over was interviewed. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.5 percentage points, 19 times out of 20, had all Canadian adults been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error. For more information about the MNP Consumer Debt Index, please visit mnpdebt.ca/CDI.

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