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### Four in Ten (43%) Canadians Experiencing COVID-Related Disruption to their Employment, Despite Improving Jobs Figures

45% of Canadians Receiving COVID-19 Benefits Say They Will Take on More Debt Once Support Ends (+10)

**Toronto, ON, September 16, 2020** — Over the past six months, Canadians have been supporting each another through these difficult times. Many have benefitted, either directly or indirectly, from government support programs such as CERB or CEWS, intended to help individuals and companies struggling financially as a result of the pandemic. As these programs come to an end, have things gotten any better for Canadians? A recent poll by Ipsos carried out on behalf of MNP LTD has found that four in ten (43%) Canadians are still experiencing disruption to either their own work situation or that of someone else in their household in the form of lay-offs, reduced pay, or fewer working hours. It seems that for many Canadians, their work situation has not improved since the height of the pandemic; almost half say they will be forced to take on more debt once government support ends.

#### *Jobs Still Interrupted in Wake of Pandemic*

After reaching record levels this past spring and summer, the unemployment rate in Canada has started to trend downward. As of August, unemployment remains in double-digit territory at 10.2%, but jobs have been slowly returning across the country. While this news about the larger economy is welcome, the fact remains that these improvements have translated into only very modest relief for working Canadians. For instance, just over 1 in 10 (13%) Canadians say that they have personally lost their job as a result of COVID-19, a three-point decrease from last wave in June 2020. A similar proportion say that someone in their household has lost their job as a result of the pandemic (14%, unchanged). Furthermore, reduced pay or working hours remain a reality for many; 15% of Canadians say they are currently working reduced hours or receiving reduced pay (-2), with another 9% saying that someone in their household is experiencing the same. Other ways in which Canadians are still experiencing interruptions to their work situation include:

**Disruptions to Canadians' Work Situation Due to COVID-19**

	Sept 2020	Δ (June 2020)
I am working reduced hours or receiving reduced pay	15%	-2%
Someone else in my household has lost their job	14%	-
I have personally lost my job	13%	-3%
Someone else in my household is working reduced hours or receiving reduced pay	9%	-
I am receiving CERB as a result of having lost my job	7%	-3%
Someone else in my household is receiving CERB as a result of having lost their job	7%	-1%
I will apply for the recently announced additional COVID-related benefits <i>(i.e. Canada Recovery Benefit, Canada Recovery Sickness Benefit, and Canada Recovery Caregiving Benefit)</i>	3%	N/A
I am a small business owner and have had to temporarily close as a result of COVID-19	2%	-1%
I am a small business owner receiving government support	1%	-1%
None of the above	57%	+3%



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Those Canadians under 55 years are most likely to have their work situations affected by the pandemic, understandable given that they are more likely than those over 55 to still be in the labour force. In fact, it seems that the younger generation seems to be bearing most of the burden when it comes to COVID-19-related disruptions to work. In particular, 1 in 5 (22%) in the 18-34 age group say they have personally lost their job, no doubt due to the fact that younger workers may be employed in temporary work or in the service industry. Furthermore, younger workers tend to be most at risk of lay-offs, as their junior position makes them an easy target for making cost savings.

### *Millions Deferring Payments Due to Pandemic*

With so many of Canadians saying the pandemic continues to disrupt their work situation, it is understandable that a number of them say they have had to defer their payments on bills, credit cards, taxes, or mortgages. In fact, just under 1 in 10 (7%) say that they've had to postpone payments on bills, credit cards, and taxes. While this may seem like a small percentage, this figure still represents 2 million adult Canadians.

Among those who own their home, 5% say they've had to defer their mortgage payments due to the pandemic. Given that the median mortgage debt among Canadian household continues to climb across all regions and age groups, this represents an increasing area of concern.

### *Taking on More Debt When Government Support Ends*

Over the past few months, various relief measures from government, banks, and businesses have helped cushion the financial blow of the pandemic for many Canadian households. However, while various relief measures have provided relief for many, this does not necessarily mean that underlying financial problems have gone away. Households are now trying to come to terms with the question of they will pay their bills once they stop receiving COVID-19-related benefits.

Among those currently receiving COVID-19-related financial support from the government, 45% say they will take on more debt in some form or another, an increase of 10 points from last wave. The largest increases are in those saying they will use their line of credit (18%, +6), declare bankruptcy (11%, +5), use their credit cards (21%, +4), take out a bank loan (11%, +4), and use a payday loan service (8%, +4). In particular, homeowners receiving COVID-19-related benefits are faced with particularly stark decisions; 2 in 10 (21%) homeowners receiving government support say they will be forced to defer their mortgage payments and 16% say they'd have to sell their home to make ends meet once the support ends.



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### Plans for When Government Support Ends

(among those receiving government COVID-19 support)

	Total (Sept 2020)	Change (June 2020)
Reduce my consumer spending or expenses	45%	-1
Apply for EI	28%	-4
Use my savings to pay bills	31%	+1
Use my credit cards to pay bills (*)	21%	+4
Borrow from friends or family (*)	19%	+3
Sell my assets (car, investments, rental property, etc.)	15%	+2
Use line of credit to pay bills (*)	18%	+6
Take out a bank loan (*)	11%	+4
Submit a consumer proposal to address my debt	10%	+3
Declare bankruptcy	11%	+5
Use a payday loan service (*)	8%	+4
Sell my home	9%	+5
<b>(*) NET: Take on more debt</b>	<b>45%</b>	<b>+10</b>
None of the above	16%	-2



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### About the Study

These are some of the findings of an Ipsos poll conducted between September 1-3, 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  $\pm 2.5$  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](http://mnpdebt.ca/CDI).

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### About Ipsos

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