

Intelligence MEMOS



From: Tammy Schirle
To: COVID Response Policymakers
Date: March 19, 2020
Re: **THE NEXT PIECE OF THE PUZZLE**

For policymakers, the COVID-19 crisis is like a puzzle. But it's a puzzle whose pieces are changing shape every day, with new pieces added and dire consequences if they don't solve the puzzle quickly.

The announcements yesterday by the federal government offering support to families and businesses have helped piece together a large part of that puzzle, but more work is clearly needed.

The income supports are targeted. For those with children, families can receive up to \$300 per child per month in support from the Canada Child Benefit expansion (adding to the current CCB, which is set at \$553.25 for children under 6). Families and individuals who received the GST Credit will also see a boost, and new benefits will be available through the Emergency Care Benefits (for those quarantined, in self-isolation, or caring for kids out of school but ineligible for EI sickness benefits) and the Emergency Support Benefit (which will target the unemployed who may not have the hours required to be eligible for regular EI benefits).

As a package, this is one of the quickest ways to offer targeted support to individuals and families whose incomes are affected by the crisis. And beyond the well-being of individuals and their families, it is also important for supporting consumer demand and maintaining the confidence of Canadians. It is vital that people know our social safety net is working, and will break their fall.

But gaps will remain, and some gaps will be harder to fill.

We need to listen to the non-governmental organizations and others who are already working with those not supported by the existing social safety net. The federal announcements on Wednesday included additional support for women's shelters and sexual assault centres, which might expect increased demand for services as uncertainty and loss result in greater stress for families.

But more general support is needed for the organizations serving those most in need – food banks seeing increased short-term demand among families losing work, nutrition programs for kids, filling the gaps left by school closures, and other centres scrambling to provide mental health supports to those in need of help.

Now is also the time for the provinces to step in. They are better able to identify gaps specific to their residents and often better able to address them. The provinces have generally offered income assistance to those who lack strong work histories, and provincial programs' work requirements and expectations must be reviewed and communicated.

Provinces are responsible for employment standards legislation, defining leave provisions and job protection for workers who are not unionized, and some have already stepped up to clarify and even expand protections for workers during this crisis.

A lot has happened in a very short time period. There is no blueprint for responding to this crisis.

It has been clearly stated that policymakers are working through the challenges as they come, and we can expect further policy responses going forward. I take this opportunity to applaud the policymakers, public servants, and everyone on the front lines, who have been working so hard to help us all. I thank you in advance for your efforts in the coming weeks.

Tammy Schirle is Professor of Economics at Wilfrid Laurier University, and is a C.D. Howe Institute Research Fellow.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.