

April 20, 2020

Crisis Working Group Report: Household Income and Credit Support

To help Canadian governments confront the public health and economic crisis resulting from the spread of COVID-19, the C.D. Howe Institute has established several working groups to rapidly distill expert policy advice. The working group on household income and credit support is co-chaired by Michael Horgan (Senior Advisor at Bennett Jones LLP and Former Deputy Minister of Finance, Government of Canada) and Kathleen Taylor (Chair of the Board at Royal Bank of Canada) and supported by a group of Canadian business leaders and economists. Meeting weekly, this group identifies and prioritizes policy challenges. The group's most recent meeting was held on Tuesday, April 14, 2020.

The working group considered ways to facilitate a gradual reopening of the economy when appropriate. Members agreed that ending the lockdowns and restarting the economy will require a risk management approach on the part of governments, as they balance imperatives related to public health, healthcare utilization, the economy, and public finance.

Cooperation among the various orders of government will be needed, since most of the restrictions on economic and other activities originate from provincial and local governments. The working group noted that timelines for restarting the economy and balancing health and other imperatives when lifting restrictions will vary across regions and [sectors](#).

Industry groups can play an important role in the return-to-work strategy. Different industries have different health and safety needs, structures, and challenges. The working group agreed that industry can play an enormous role in offering a way forward. In particular, [creating industry-specific task forces](#) with expertise on key sectors of the economy would provide better insights on how to protect workers, customers and suppliers.

The working group agreed that reopening can proceed in varying ways across the country to account for regional differences. Some provinces have already started. But all provinces and regions should have contingency plans to deal with later waves of COVID-19.



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Working group members also highlighted that different population groups will face different challenges when their workplaces begin to reopen and identified several population groups in need of special consideration.

The March Labour Force Survey results show that workers who are the most affected by the COVID-19 crisis in terms of layoffs and hours lost are [low-wage earners and women](#) who generally have the least bargaining power. The working group's proposed industry-specific task forces could be responsible for setting up health and safety protocols adapted to their industries, with approval by governments where appropriate, before a lifting of the lockdowns can happen.

A time lag between children going back to school and parents going back to work will create additional challenges for parents with children when no alternative work/care arrangements are available, especially when schools are still closed. Therefore, it is important to think in advance about how child care fits into the bigger picture for working parents, and integrate these considerations into the return to work strategy.

Additionally, the group agreed on the need for special provisions for people most at risk of developing COVID-19 complications, others who may need to provide care to a family member who becomes ill, and vulnerable workers.

The proposed industry-specific task forces should consider the types of workplace accommodations that can protect the safety of the most vulnerable workers should they be required, or want, to return to work. In addition, as governments start to phase out emergency benefits, they need to start thinking about continuing financial protections for the most at-risk workers who are not yet able to return to their workplaces.

Finally, the working group noted that governments and industry can learn from the experience and best practices around the world as other jurisdictions have, or are in the process of, lifting restrictions on economic activity.

The next meeting of the Household Income and Credit Support Working Group will review progress made in the last few weeks since emergency benefits have been put in place, particularly the CERB and recent additions to the program, and potential remaining gaps. Potential areas for consideration are whether support measures in place need any refinements and adjustments, and how quickly they should be wound down.

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Members of the Household Income and Credit Support Working Group Include:

Michael Horgan (Working Group Co-Chair), Senior Advisor, Bennett Jones LLP and former Deputy Minister of Finance, Government of Canada.

Kathleen Taylor (Working Group Co-Chair), Chair of the Board, Royal Bank of Canada.

Don Drummond, Stauffer-Dunning Fellow and Adjunct Professor, Queen's University.

Luc Godbout, Professor and Director of the Chair in Taxation and Public Finance, Université de Sherbrooke.

Brian Kingston, Vice President, International & Fiscal Issues, Business Council of Canada.

Alexandre Laurin, Director of Research, C.D. Howe Institute.

Parisa Mahboubi, Senior Policy Analyst, C.D. Howe Institute.

Janice McKinnon, Professor, University of Saskatchewan.

Kevin Milligan, Professor, University of British Columbia.

Mike Pedersen, Chair of the Board, Business Development Canada.

Bill Robson, President and Chief Executive Officer, C.D. Howe Institute.

Tammy Schirle, Professor, Wilfrid Laurier University.

Lara Speirs, Executive Vice President & Public Affairs General Counsel, Randstad Canada.

Guest:

Lynn Barr-Telford, Assistant Chief Statistician, Social, Health and Labour Statistics at Statistics Canada.