

Project Insights Report

Understanding CERB's Impact: More than just an income support program?



PARTNERS

Canadian Centre for Policy Alternatives



LOCATIONS

Across Canada



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Executive Summary

At the onset of the COVID-19 pandemic in March 2020, Canada's unemployment rate reached one of its highest levels at 14.1 per cent. In response, the federal government launched the Canada Emergency Response Benefit (CERB), providing a financial benefit of \$2,000 a month to workers directly affected by COVID-19.

The Canadian Centre for Policy Alternatives (CCPA) conducted research to understand the impact of CERB on recipients and how it shaped their decision to focus on skills, education and training and to pursue new work opportunities. There were focus groups and an online survey with 1,500 respondents across Canada.

Overall, CERB was a positive experience for recipients that provided much needed financial stability and helped to reduce stress during COVID-19. The CERB benefit also allowed recipients the time and support to consider further education, skills development and alternative employment opportunities, with 40 per cent of respondents taking some form of training.

CERB played a key role in helping recipients transition back into the labour force. Most participants felt CERB allowed them to re-enter the job market the way they wanted. The benefit also helped support positive career changes, with 41 per cent of participants reporting some type of career change. While CERB delivered immediate financial assistance, the program also allowed recipients the space to evaluate their employment situation and pursue additional education and training opportunities. This is an unexpected benefit of the CERB program that supported many recipients' re-entry into the labour market. Integrating an education or upskilling component into income support programs could further help people re-enter the labour market after losing their jobs.

KEY INSIGHTS

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40% of all survey respondents who received CERB pursued some type of training or education opportunities while receiving the benefit.

- 2 Participants said the financial stability and spare time they had as a result of CERB gave them time to reflect on their current roles and make investments in a new career path.
- 3 CERB played a key role in supporting a smooth transition back to the workforce, with 66% of respondents indicating CERB allowed them to re-enter the labour market in a way that best fit their needs.

The Issue

Many people lost their jobs or were out of work for much of the pandemic, with unemployment rates reaching a high of 14.1 per cent. It was clear that new financial support was needed to respond to the impact of COVID-19, as many of those who suddenly lost their employment were ineligible for Employment Insurance (EI). The job losses disproportionately affected low-income workers, youth and people from marginalized communities. The readily available EI program was not designed to be administered quickly or cover large groups of the working population. As a result, the federal government launched CERB, making it easier to apply for benefits and increasing the number of workers receiving income support. The benefit was available March 15 to Sept. 26, 2020 and provided \$2,000 to employed and self-employed workers directly affected by COVID-19. To be eligible for the benefit, a worker had to live in Canada, be at least 15 years old, have lost work because of COVID-19, and earned income of at least \$5,000 (before taxes) in 2019, or the 12-month period before to application.

CERB was created to act as a financial bridge for those experiencing significant economic loss and help support them in a time of great uncertainty. But there is limited information that systematically examines the experiences of people who received the benefit and its impact beyond providing financial support. The purpose of this research project was to understand the program's effect on recipients and examine CERB's role in decisions recipients made to pursue training, education, skills development and new work opportunities during this time. Examining emergency response benefits such as CERB, allows for a deeper understanding of the current status of Canada's income safety net and how it can be shaped to better support people's journey to better economic stability.



What We Investigated

This project surveyed Canadians who received CERB to understand its impact and how it shaped the decision of recipients to focus on skills, education and training and to pursue new work opportunities. Four focus groups (three in English and one in French) were held across B.C., Alberta, Ontario, Quebec and Atlantic Canada to explore key issues for CERB recipients and help inform the content and design of the online survey. The online survey was available Nov. 18 to 25, 2022 and had 1,500 respondents, all of whom were Canadians who received CERB.

The key areas explored in the survey included CERB's impact on:

- Job change, including tracking changes in job quality, job match, and income as well as identifying on-ramps to job change
- Education, retraining and skills development
- Impact of care obligations on ability to train or change jobs
- Personal life, including mental and physical health, and ability to handle the stress of the pandemic.

What We're Learning

Participants were overwhelmingly positive about CERB. More than 70 per cent said they were satisfied with the application process and the amount of time CERB was available to support them and their families. Participants spoke highly about the design of the program especially compared to other income support programs. The quick delivery, clear qualifying criteria and streamlined application process resulted in less stress for applicants relative to other government support programs like social assistance or employment insurance. Participants noted the benefit's unconditional transfer allowing recipients to use the funds where they saw fit set CERB apart.

CERB addressed both financial and pandemic related stresses. Most respondents (70 per cent) described CERB as a source of stability that had a positive impact on their household's financial situation, covering basic expenses such as food, household bills and shelter, and helped keep them out of debt. But some respondents said the funding was not enough to cover more than the basic needs of one person, and that more funding should be available for people with dependents in future programs. Respondents also said CERB helped them deal with the stress of pandemic and job loss (67 per cent), allowed them to care for ill family members (60 per cent) and positively impacted their mental health (64 per cent), which was especially important for people from immigrant, 2SLGBTQIA+ and racialized communities.

CERB provided the opportunity to pursue education and training recipients would not have otherwise been able to. Respondents credited the financial stability and spare time for giving them time to reflect on whether they wanted to return to their jobs or invest in a new career path. About 40 per cent took some type of training or education such as free online lectures, certificate programs, or completed previous education they had put on hold. This was particularly high among young people age 18 to 29. The main reason stated was to improve their education or employment prospects.

CERB supported re-entry into the labour market. Most participants credited it as a key factor in helping them transition back to employment and to search for new job opportunities. Of participants who returned to work, 66 per cent agreed CERB allowed them to re-enter the job market in a way that worked best for them. Most participants returned to the job they had before COVID-19. While the majority (82 per cent) were happy to return, 63 per cent said they did not feel there were other employment opportunities available, and 53 per cent reported not having the right education or training needed to switch jobs. People looking to make a job change said CERB supported them in looking for new work that was better suited to their interests and needs. Just under half of respondents (41 per cent) indicated some change in their employment situation when re-entering the workforce, such as new responsibilities, working for a new employer or in a new industry, and reported some improvements to their employment as a result.

★ Why It Matters

This project showcases the successes of the CERB program in providing both financial and additional support to recipients during an unprecedented and stressful time. While the benefit delivered much needed immediate financial assistance, it also gave recipients space to evaluate their employment situation and pursue education and training opportunities. Many CERB recipients would not have been able to pursue additional education or training without the benefit.



The findings highlight that income support programs can provide the conditions to pursue education and training opportunities that ultimately help advance employment prospects. Providing consistent financial support is a key factor in encouraging people to pursue more education or upskilling. Making a conscious effort to integrate an education or upskilling component into income supports could further help people re-enter the labour market following job loss. As the Canadian government continues to reflect on its recession programs, it is critical to identify and include elements that help support workforce re-entry. CERB is a great example of how income support programs can have a positive impact on training and employment outcomes. Policymakers should consider the positive impact of combining income support with affordable training or education when designing further benefits.

State of Skills:

Quality of Work

As Canada navigates continuing labour shortages in critical areas of the economy, policymakers and employers are looking for more effective approaches to recruit and retain workers

[Read Thematic Report](#)

► What's Next

This project is part of the Future Skills Centre's Quality of Work series, which explores different aspects of work quality and how they interact with challenges in the labour market, including current skills and labour shortages across sectors. Part of a comprehensive strategy to improve the quality of work for people will include ensuring workers in vulnerable employment situations have access to similar rights and benefits as other workers and to provide access to upskilling and reskilling initiatives so that people can access improved employment opportunities in other occupations and sectors.

The Quality of Work series explores current practices related to compensation and benefits, employment security, work environment, professional growth and overall social environment, for workers, employers and policymakers. FSC-funded research initiatives address key gaps in policy and practice related to quality of work issues in the Canadian context. FSC is working with funded partners to generate insights across the projects.

Have questions about our work? Do you need access to a report in English or French? Please contact communications@fsc-ccf.ca.

How to Cite This Report

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