

# Canadians who don't qualify for CERB, other COVID-19 support fear falling through cracks <sup>[1]</sup>

The Trudeau government has been pushed to bring in universal basic income amid the coronavirus pandemic.

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## AVAILABILITY

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## EXCERPTS

OTTAWA — Kim Troy feels forgotten by the federal government.

For the past 13 years, the Edmonton resident has run a daycare in her home. She works 10 hours a day looking after other people's young children. She feeds them, crafts with them; nothing in her daily routine has changed. Except, the number of children she cares for has halved. Her daily costs are nearly as high with three kids as they were with six, but it's getting harder to make ends meet.

"Financially, I lost more than half my income," Troy told HuffPost Canada on the phone from her home in Alberta Thursday.

Most of the children now left in her care have one parent who is an essential worker: one child's mother is a nurse, another works at a correctional facility. Troy has thought about taking on more children — but her husband is hesitant, she is personally concerned, and the parents whose children she looks after also worry.

"Those are new exposures that could risk everyone here."

So instead of expanding, Troy is left wondering, and hoping that the Liberals in Ottawa will soon realize their string of programs designed to help workers who've seen their incomes dry up because of the COVID-19 pandemic and the subsequent government shutdowns isn't as inclusive as they like to portray.

"Me and a lot of ladies fall through the cracks," Troy said. "A lot of ladies have closed, but I don't want to close. I still want to provide the care to those who need it, 'cause if we all close, there would be no essential workers working. So they need us. But help us, so we can stay open."

Troy is one of tens of thousands — perhaps hundreds of thousands — of Canadians who are not eligible to apply for any federal assistance. As a self-employed worker, she does not benefit from the 75 per cent wage subsidy championed by the business lobby. She has no employees and therefore cannot qualify for the \$40,000 small business loan, \$10,000 of which can be forgiven.

Because she hasn't lost all her income, she cannot qualify for the \$2,000 a month Canada Emergency Response Benefit (CERB). She cannot even qualify for a new version of the program, designed to help self-employed Canadians and contract workers, because it will provide benefits only to those who work fewer than 10 hours a week or maybe make \$500 a month, according to an announcement Monday by Prime Minister Justin Trudeau.

It's a stressful time for Troy. "And it's disheartening to see that he would rather support us if we made nothing than help us when we are trying to make a living."

She doesn't understand why the federal government hasn't taken an inclusive broad-based approach to help as many people as it can.

"Even if he said instead of 2,000 [dollars a month] 1,000, just something," she said.

She understands the government is navigating a complex situation.

"Nobody has worked through this before," she said, "but you have to help everyone, not just select groups."

Asked Thursday why the federal government had chosen not to adopt a simple broad-base inclusive payment approach — sending the same amount of money to every Canadian — to ensure nobody fell through the cracks, Trudeau said the government had looked at many different program designs and picked something it felt allowed public servants to get money out the door in a way that "would reach the largest number of Canadians who needed it as possible."

"We recognize that any time you put out large measures quickly and in a way that is solid enough to be certain that it's going to work through the machine, there are going to be gaps," the prime minister said. "And what we've talked about over these past days is ways of

filling those gaps and making sure that more people who are in exceptional or different circumstances are able to access the help we need, and we will continue to have more to say on that in the coming days.”

Trudeau suggested the government had picked a program that gave money out quickly — the CERB’s \$2,000 a month to anyone who made \$5,000 last year but now has lost all their income because of COVID-19 — while also supporting a more targeted approach through the \$71-billion wage subsidy program.

“... there are many Canadians who are middle-class for whom \$2,000 a month might not be even nearly enough to cover their needs right now because of various costs, because of various issues that they’re facing, which is why we wanted to bring in a 75 per cent wage subsidy that will give them instead of just \$500 a week up to \$847 a week,” he said.

Ministers were mum when asked during the daily government press conference whether the cabinet had discussed the idea of sending a few thousand dollars to every Canadian. It’s an idea championed on the left by the NDP, which argues that Ottawa should send \$2,000 a month to every adult and \$250 to every child during the pandemic, and on the right by Conservative strategist Ken Bossenkool, who believes a universal temporary crisis income would be a better way to send money out to everyone quickly while drawing up plans for more targeted measures.

Treasury Board President Jean-Yves Duclos sidestepped the question but said the government was aware of holes in the country’s social security system and was learning some lessons about the importance of federal involvement.

“... millions of Canadians being given emergency assistance,” he told HuffPost. “We are demonstrating that when we work ... we’re listening and inputting the advice of many people outside of the government.”

The federal government has listened to advice.

In the four weeks since announcing the first \$1-billion in measures to address the pandemic, the Liberals have gone from announcing an expansion of employment insurance, to creating two new support programs — the Emergency Care Benefit and the Emergency Support Benefit — and a 10 per cent wage subsidy for businesses.

The next week, the government canceled the new programs and rolled them into a more universal version that would provide \$500 a week for the next four months. Two days later, it increased the wage subsidy to 75 per cent. This week, more changes were teased, involving the CERB, that would expand it to include more self-employed and gig workers, and more help for students through an expanded Canada Summer Jobs program.

Over in Courtenay, on Vancouver Island, Dan Mills runs a small construction company, doing home buildings and renovations. He worries the COVID-19 crisis will kill his business.

The general contractor is struggling. Mills has been on workers’ compensation since he tore the tendon attaching his bicep to his forearm in October, but he’s been keeping afloat with the help of three extra guys.

They had jobs lined up this spring and summer, he said, but now one American owner has hit pause on his new home construction because he can’t get into the country, and other homeowners with projects have cancelled because “you can’t be in people’s houses.”

#### **‘Make sure people can eat, right? And then figure it out’**

Although his crew has been with him for several years, they’re subcontractors, not employees, so Mills doesn’t qualify for the government’s small business loan. In order to be eligible for the \$40,000 loan, he would need to demonstrate that he paid payroll expenses worth \$50,000 to \$1 million in 2019.

Mills laid them off two weeks ago.

“Nobody is pushing projects forward,” he said. “All that effort that we’ve put into building the company [could be] gone.”

Mills told HuffPost that the WorkSafe payments he receives from the B.C. government are about a fifth of what he normally earns. But remaining on WorkSafe also means he has no federal avenue to make up the shortfall in his income or for help to pay his bills.

“It means I don’t qualify for any other assistance,” he said by phone.

It would have been a lot simpler, he believes, to relax eligibility rules for business loans and send everyone who needs it a cheque.

“I think, like, start it off, send out money. Get it out there. Make sure people can eat, right? And then figure it out,” he said.

#### **NDP pushes direct, flat payment to all Canadians**

NDP MP Jenny Kwan said her Vancouver East office is getting thousands of emails and calls from constituents who are struggling to determine what assistance they qualify for.

“Right now, as it stands, CERB is clearly deeply flawed and is leaving behind far too many people.”

Kwan pointed to a tweet by Toronto Liberal MP Adam Vaughan telling a man who said his wife is an artist who made \$30 last month and thus can’t qualify for the CERB, that he should not “over-react and impose strict literal interpretations” to the benefit’s “relatively easy attestation.”

“Is he now encouraging people to be less than honest and forthright when they are filling out this application? I mean, it is just astounding to me,” she said from her home in Vancouver.

Kevin Milligan, an economics professor at the University of British Columbia, has outlined in numerous publications and again this week on social media, several reasons why the federal government may have chosen not to adopt a very expensive universal basic income that is hard to claw back rather than targeting more money to those who need it most. He told HuffPost, however that he thinks the government should defend its actions and “should be pressed to do so with the highest clarity.”

Over on Hornby Island, Melisa Devost is also wondering how long she can keep dipping into her savings.

The music educator is now out of a job — no choir, no community theatre, no music classes — but Devost has been picking up more and more occasional shifts at a local health clinic where she works as a relief receptionist. She can’t qualify for the CERB because her hours have gone up, and the clinic needs her.

“It’s frustrating for sure,” she said over the phone Thursday. “When I read the criteria, I was very crestfallen and very stressed to find out that I wasn’t going to meet the criteria.”

She said her supervisor at the Vancouver Island Health Authority was also baffled. They have no reason to lay her off and no desire to, since she’s the only relief worker who can help at the clinic if the other staff get sick.

“The current benefit is basically discouraging people from taking shifts, from taking the work that they can, especially in essential services,” Devost told HuffPost.

“I would like to just safely be able to come into work and be able to have the guarantee that my income will be topped up enough so that I can live off of it... It’s a weird system, totally it’s a weird system.”

Devost said she’s fine having to repay the money next year, if she needs to, but she thinks the programs’ criteria need to expand to include all types of other workers who have also been affected by the COVID-19 crisis.

“There is this funny thing where people are asked to stay home, and asked to self-isolate, and if you’re going to the extreme of that and not working at all, then you are covered but if you work in an essential service and having to work sometimes, or wanting to work sometimes as well, then you are not covered...”

“It just begs the question, why isn’t everyone just given a flat rate?”

Back in Edmonton, Troy worries about a decision she’ll have to make next month. If she’s down to two kids, as she suspects, and less than \$1,600 a month — she’ll have to consider closing her doors.

“It’s scary,” the caregiver said. “There is lots of money for them [big business], but there is no money for the regular folks.”

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**Region:** [Canada](#) <sup>[3]</sup>

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