



COVID-19 EXACERBATING THE FINANCIAL STRESS OF WORKING CANADIANS

*Survey finds substantial financial, economic and job loss concerns,
even amongst Canadians who have remained employed*

TORONTO (July 28, 2020) – Layoffs and three million job losses. Business bailouts and closings. These are the stark realities of 2020 in the wake of COVID-19. Canadians who have continued to work have been rightly considered the lucky ones — able to focus on the immediate physical danger and overcoming the psychological impacts of quarantine-imposed isolation. Because they have continued to receive a paycheque, the assumption has been that they are doing okay. That there is no need to worry. The truth, however, is that even for those still on payroll, COVID-19 has had a significant negative impact on financial wellness.

A new survey from the Canadian Payroll Association of over 4,000 working Canadians has found that 58 per cent feel more stressed about their finances due to the pandemic.

Of particular concern is job security, with one-in-three working Canadians, not having lost their job already, sharing that they are fearful of losing their job due to COVID-19. And, while 77 per cent have been working from home during the pandemic, as workplaces begin to open, that fear may cause many (one-in-five) to go to the office even when they are coughing, sneezing and feeling sick. Here, the link to physical health is clear, and the potential for financial stress to contribute to the spread of a second wave of the virus becomes a serious concern.

The survey also notes substantial macro-economic worry. Sixty per cent of employed Canadians indicate they are worried about the Canadian economy, and 55 per cent are concerned about Canada's employment situation. Additionally, fear of the economy performing poorly is at its highest rate in 5 years — up 46 per cent from last year.

To add a final layer of financial stress, employed Canadians are witnessing the impact of the pandemic on their workplaces, with over half (54 per cent) reporting that their company has been seriously impacted economically by COVID-19.

“The repercussions of the pandemic continue to threaten our country's return to stability. Our research shows that COVID-19 has directly affected the financial stress of working Canadians, many of whom express deep concern about the economy as a whole,” says Peter Tzanetakis, President of the Canadian Payroll Association. “Recognizing that financial stress already costs Canadian businesses billions of dollars, developing strategies to help Canadians decrease or manage that stress should be a part of our broader strategy for economic recovery.”

“One way that employers can help minimize the impact of financial stress on working Canadians is offering financial education or access to programs that encourage savings through payroll, such as a Pay Yourself First Program,” Tzanetakis adds.

A Pay Yourself First Program allows employees to work with payroll to ensure a portion of their paycheque is automatically deposited into a separate savings account. This encourages better money management and the steady accumulation of retirement funds, all of which are key concerns related to financial stress for working Canadians.

A study published earlier this year by the Western-Laurier Financial Data Analytics Laboratory (The Western-Laurier Lab), with the support of the Canadian Payroll Association, revealed that more than age or income, it's actually the ability of working Canadians to deal with brief financial setbacks— like missing a paycheque — and savings habits that most affect financial stress.

SURVEY METHODOLOGY

An online survey of 4,264 working Canadians (88 per cent of whom are full time employees) was completed between May 26 and July 3, 2020, using Framework Partners online panel. The margin of error for this study was +/- 1.5%, 19 times out of 20.

ABOUT THE CANADIAN PAYROLL ASSOCIATION

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$1.02 trillion in wages and taxable benefits, and \$345 billion in statutory remittances while complying with more than 200 federal and provincial regulatory requirements. As the authoritative source of Canadian payroll compliance knowledge, the Association promotes payroll compliance through advocacy and education. For more information on the Association, visit payroll.ca.

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