



Government  
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# Qualitative Research on the State of the Economy and COVID-19

## Finance Canada

*Executive Summary*

March 2021

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*Ce rapport est aussi disponible en français.*

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This public opinion research report presents the results of 10 online focus groups conducted by Quorus Consulting Group on behalf of Finance Canada. The sessions were from February 2<sup>nd</sup> to February 9<sup>th</sup>, 2021 with members of the general population and with specific segments of the population that have shown to have struggled more than most through the pandemic, including young Canadians, business owners, newcomers, women whose employment was negatively impacted by the pandemic in some way, etc.

Cette publication est aussi disponible en français sous le titre : Recherche qualitative sur la conjoncture économique de 2021 et de COVID-19

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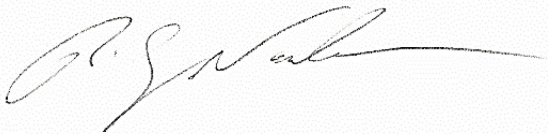


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Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:

A handwritten signature in black ink, appearing to read "Rick Nadeau", is written over a light gray, textured rectangular background.

Rick Nadeau, President  
Quorus Consulting Group Inc.

## Executive Summary

### Background and Research Objectives

The Department of Finance Canada (FIN) conducts public opinion research on a yearly basis on the state of the economy in support of the fall Economic and Fiscal Update, and the spring Budget, focusing on communication with the public. As the situation pertaining to the pandemic continues to rapidly develop, policy analysts, economists and communicators require up-to-date knowledge of the public stance on these economic issues.

The key objective of this research was to provide the department with an accurate and up-to-date assessment of the knowledge, priorities and concerns of Canadians. This approach complemented on-going quantitative research to inform strategic decisions and communications planning.

### Methodology

This report is based on 10 online focus groups that Quorus completed between February 2 and February 9, 2021. Half of the sessions were with members of the general population and the other half were dedicated to specific segments of Canadians, such as business owners, newcomers, young people, people with disabilities and women whose employment was negatively impacted by the pandemic in some way. These and various other segments (such as parents, visible minorities, and members of Indigenous communities) were also represented in the sessions with the general population. In total, 70 individuals participated in the focus groups. English sessions were held with participants living in all provinces and territories across Canada except those living in Quebec. Two French sessions were held with individuals living in Quebec. More details can be found in the Methodology section of the report.

Qualitative research is designed to reveal a rich range of opinions and interpretations rather than to measure what percentage of the target population holds a given opinion. The results are directional in nature; and the results of qualitative research are not statistically projectable to a specific target audience.

### Research Results

#### Perceptions of the Government of Canada's Management of the Pandemic

Each focus group opened with a short discussion on what, if anything, participants saw as something that the Government of Canada had been getting right over the last year in managing the COVID-19 pandemic and similarly, what, if anything, they had been getting wrong. Providing various forms of financial support to Canadians, especially through the Canadian Emergency Response Benefit (CERB), was often raised as something the federal government got right. Many

participants also indicated that the communications coming from the Government of Canada were timely, informative and useful.

In terms of what the federal government got wrong, many felt that the Government should have “closed the borders” sooner than it did and many also felt that any sort of travel in and out of the country should have been more limited. Some were also concerned that there were Canadians and businesses alike who “took advantage” of benefits when in fact they did not need them.

### Financial Impact of the COVID-19 Pandemic

The impact of the pandemic on the lives of participants cannot be overstated. The social, financial and emotional impacts are widespread, varied and in some cases quite severe. Although some have recovered in some way, many are just getting by, and many continue to struggle. A more focused discussion on personal finances revealed that many participants have been negatively affected by the pandemic. More often than not, the impact was job related (e.g. getting laid off, reduced hours, etc.) with the bulk of the disruption occurring soon after the pandemic began and into the summer months of 2020. While some have found new employment, many remain in dire financial straits and have not been able to find new work. Other forms of financial duress include increases in the cost of living, insufficient rental support, and high personal tax rates.

### Assessment of Federal Support Programs

Awareness of the various forms of financial support provided by the federal government was high, especially for CERB. Most of those who did incur some sort of financial duress because of the pandemic emphasized that they would not have been able to make ends meet had it not been for government support programs, especially CERB. Those who never did make any use of these programs were also quite supportive of them, many explaining how they knew someone who had used one of these programs.

Most participants also believed that the immediate, decisive and sustained nature of this support was one of the more notable ways in which the Government of Canada set itself apart from governments in other parts of the world when it came to supporting its citizens during the pandemic.

As noted earlier, some participants were concerned with the way the support programs had been rolled out and generally managed. Concerns tended to focus on the screening process to make sure that those who received the funding genuinely needed it. Despite these concerns, participants agreed that when the pandemic started, swift action was needed and the benefit of having the government quickly deliver support seemed to outweigh any concerns participants had with misuse. Furthermore, none of the participants seemed to believe that anyone genuinely needing the support was denied that support because there was misuse by others.

Turning to the future, participants believed that the support programs should continue until the pandemic is over and that a gradual pull back was warranted over time rather than suddenly stopping support programs.

Among the general population there was also some awareness of the federal support provided to businesses, namely the wage subsidy. Those aware of these federal support programs agreed that these programs were warranted and made a difference. Awareness of these programs was high among business owners and operators although only a few had accessed one or more of the support programs. The programs were not used by some because they did not need the support while a few explained that the application process for the Canadian Emergency Business Account (CEBA) and for the wage subsidy seemed complicated and, furthermore, they were not certain they would even qualify. A few did not want to take on a loan.

### Views on the Canadian Economy and Expectations Regarding the Recovery

Most participants would consider the current Canadian economy weak, performing poorly and fragile. These perceptions tended to be closely tied to how participants saw their local economy performing and how their own household was faring. Looking to the future, participants were more likely to be optimistic than pessimistic. For many, an economic recovery was largely dependent on Canadians returning to health and staying healthy.

For many participants, an economic recovery essentially meant “Canadians getting back to work”. They also considered the success of small businesses in their area as a barometer for the state of the economy.

In terms of the role of the Government of Canada, participants generally agreed that they do in fact have a role to play. For the most part, many participants would want the federal government to effectively manage the pandemic in such a way that will allow Canadians to get back to work and spend money. For some this meant limiting the spread of the virus, while for others it meant increasing domestic capacity for producing a vaccine. Participants also suggested that financial support programs for individual Canadians and small businesses hard-hit by the pandemic should continue.

There was moderate awareness and understanding of the term “stimulus spending” across participants. It was generally seen as: government is spending money to get the economy going. Once the moderator explained stimulus spending, mostly by referring to activities such as investing in infrastructure, tax cuts to individuals and businesses, and financial supports, participants seemed to grasp the idea quite well although they did not seem to have firm views on which specific measure was warranted for the current situation.

Participants were also fairly uncertain when asked at which point it would make sense for the federal government to pull back on stimulus spending. As noted earlier, some considered the economic recovery inextricably linked to the pandemic and as such, they felt that once the pandemic was under control, then the government could ease back on stimulus spending since consumer spending should be back to normal.

Participants were not aware of the federal government referring to “guardrails” to help guide its decision on when it will pull back on stimulus spending. Given a few examples of the indicators the federal government was monitoring, participants were mostly in agreement that they were watching the right kinds of indicators. That said, some did stress that these economic indicators do not take into consideration the quality of employment nor the mental health of the workforce.

### Views on Deficits and the Federal Budget

Nearly all participants recognized that the government is in a deficit situation and that, because of the support provided to Canadians, this deficit had grown. Most seemed under the impression that the federal government had always been operating with a deficit, most were generally unaware of the size of the deficit and very few were concerned with it.

While participants were not in favour of deficits and growing the Canadian debt, they did however appreciate the unique situation the country is facing and that the current deficit is required in this exceptional time. Once the virus is under control, then the discussion can shift to winding support programs down and balancing the budget.

In terms of the upcoming federal budget, participants were fairly general in their priorities and what they would want to see come out of this budget. Most of the suggestions harkened back to the issues that had been raised throughout the discussion, with a focus on themes such as healthcare and supporting Canadians hit hardest by the pandemic. There was also interest in having the federal government take a closer look at investing in daycares spaces and having some sort of plan to eventually return to a balanced budget.

### **Qualitative Research Disclaimer**

Qualitative research seeks to develop insight and direction rather than quantitatively projectable measures. The purpose is not to generate “statistics” but to hear the full range of opinions on a topic, understand the language participants use, gauge degrees of passion and engagement and to leverage the power of the group to inspire ideas. Participants are encouraged to voice their opinions, irrespective of whether or not that view is shared by others.

Due to the sample size, the special recruitment methods used, and the study objectives themselves, it is clearly understood that the work under discussion is exploratory in nature. The findings are not, nor were they intended to be, projectable to a larger population.

Specifically, it is inappropriate to suggest or to infer that few (or many) real world users would behave in one way simply because few (or many) participants behaved in this way during the sessions. This kind of projection is strictly the prerogative of quantitative research.

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