

COVID AND OUR COMMUNITIES

PORT ARTHUR ROTARY CLUB
THUNDER BAY, 15 SEPTEMBER 2020
CHARLES CIRTWILL



About Northern Policy Institute - A Refresher

NPI Business Plan

- Northern Policy Institute is Northern Ontario's independent think tank.
- We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable communities in Ontario's central, western and northern regions.

Our goal is to have **evidence-based discussions about what we need** as opposed to **opinion-based debates about what we want**.

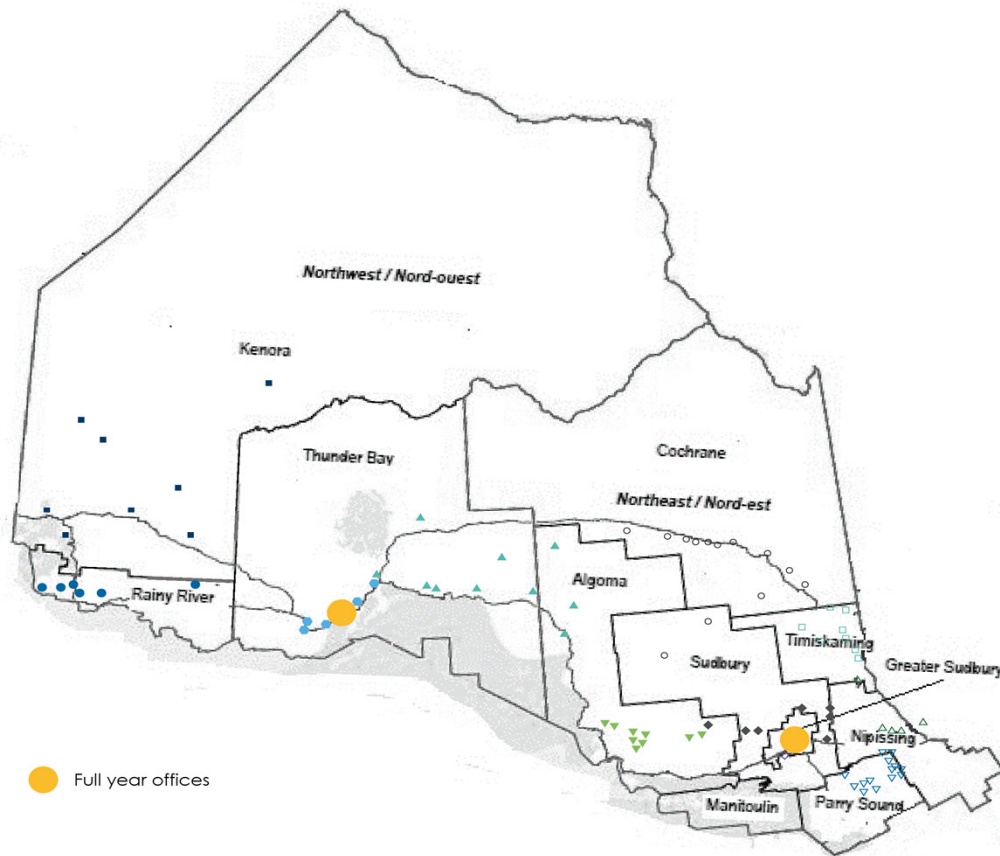
- Cirtwill, 2017

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We cover a LOT of Ground

Ontario's Northern Regions



The Central, Western and Northern regions of Ontario ("Northern Ontario") consist of:

- **2 Economic Regions**
- **5 Metis Nation of Ontario Regions**
- **All or part of 6 Treaty Areas**
- **11 Census Districts**
- **13 Distinct Economic Zones**
- **278 Census Sub-Divisions (communities)**
 - **144 Municipalities**
 - **118 First Nation Reserves or Settlements**
 - **16 Unorganized CSDs**

~ 780,000 individuals

~ 807,000 km²

For NPI - Independence is Key

NPI has layers of protection for our authors:

NPI just asks the questions

Author contracts give freedom to follow the evidence to an answer

Board has no role in setting or vetting research

Donors do not get to direct research or vet conclusions

Double blind peer review

...but, enough about NPI

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COVID 19 and the Thunder Bay Economy - Our Economy Was GROWING in February 2020

Labour force characteristics	Feb-19	Jun-19	Feb-20	Jun-20	% Change Feb 19-20	% Change Jun 19-20
Population	104,800	104,700	104,700	104,400	-0.1%	-0.3%
Labour force	65,200	64,900	66,500	58,600	2.0%	-9.7%
Employment	61,300	61,300	63,100	52,100	2.9%	-15.0%
Unemployment	3,900	3,600	3,500	6,500	-10.3%	80.6%
Unemployment rate	6%	5.5%	5.3%	11.1%	-11.7%	101.8%
Participation rate	62.2%	62%	63.5%	56.1%	2.1%	-9.5%
Employment rate	58.5%	58.5%	60.3%	49.9%	3.1%	-14.7%

Employment is Still Growing FASTER in Some Sectors

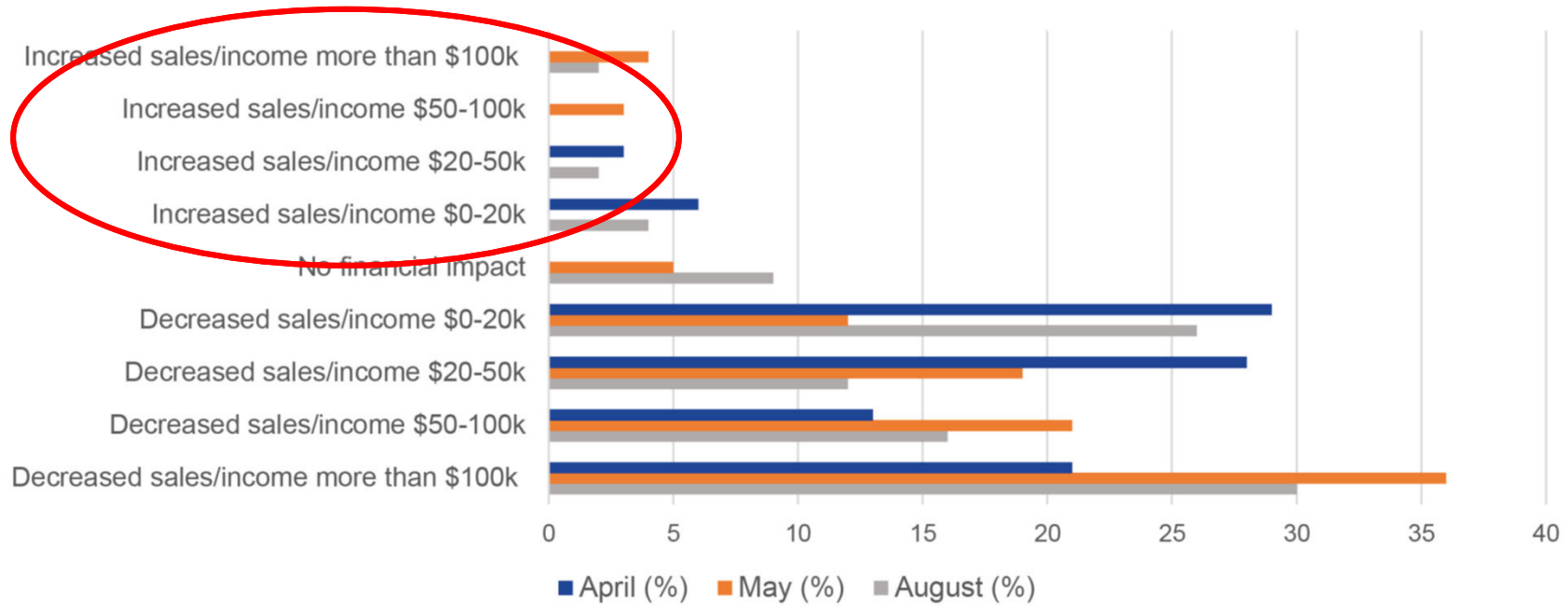
Table 1: True Employment Impact (%), Thunder Bay Census Metropolitan Area, February-July 2019-2020

North American Industry Classification System (NAICS)	Thunder Bay	Canada	Difference
Services-producing sector	-16.68	-11.43	-5.25
Wholesale and retail trade	-6.71	-11.05	4.34
Transportation and warehousing	-2.55	-13.95	11.41
Information, <u>culture</u> and recreation	23.19	-21.80	45.00
Accommodation and food services	-30.96	-35.01	4.05

Source: Author's calculations, Statistics Canada, Tables 14-10-0097-01, 14-10-0023-01

Chamber/CEDDC/NSWPB/NPI Business Survey Financial Impacts – Not Everyone is Taking Losses

What do you estimate the financial impact of the crisis on your business has been to date?



Chamber/CEDC/NSWPB/NPI Business Survey

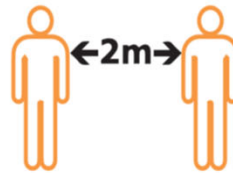
Close, Train, Adapt, Re-open

How has COVID-19 impacted your business's/organization's operations?



45% have closed their business/organization temporarily.

What have you done to support/protect your employees during this crisis?



41% of businesses have implemented physical distancing measures in their business.

April 2020

May 2020

What have you done to support/protect your employees during this crisis?

70% of employers educated their employees as to the symptoms and risks associated with the virus, as well as prevention measures (only 48% in April)



August survey

Businesses that recalled laid off employees:

50%

Businesses that hired additional employees:

19%

May/Early June survey

Businesses that recalled laid off employees:

76%

Businesses that hired additional employees:

20%

August 2020

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COVID Impact – Not a “Normal” Recession

Demand side or “normal” recession

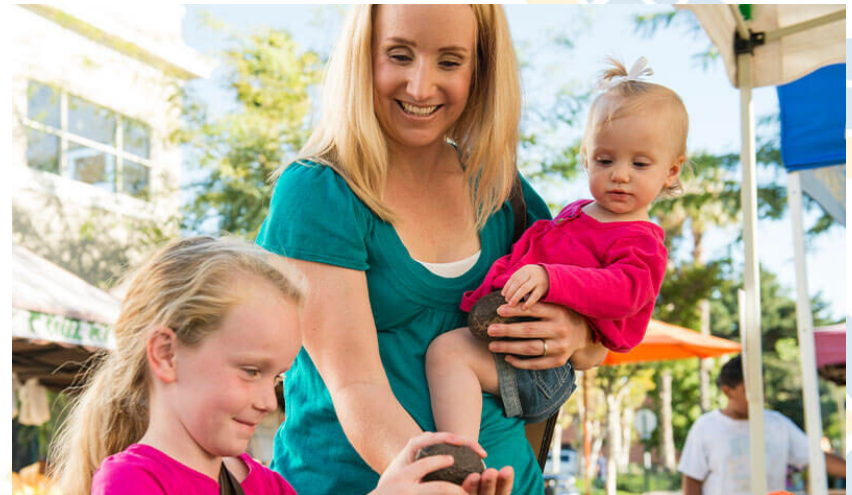
- People stop buying things
- Usually out of fear – fear of losing their job, other people losing their jobs,

Supply Side Recession

- There is nothing to buy
- Usually as a result of natural disaster (famine, disease) or government action (trade dispute, war)
- **You can, and we do, have both – but the Supply Side is the more challenging of the two – and demand side solutions won't help with that**

Not Your Grandfather's Recession

- **It's a She-cession**
- #1 victim of this recession has been, and continues to be, women, **especially women with children**
- Caused by collapse of supply of childcare and closure of schools
- Re-opening is still uncertain and inconsistent, so **impacts are beginning to entrench – 30% opting for home school**



We are NOT out of the Ditch Yet

- **Three Stages of a supply shock:**

1. **Survive**

2. **Stimulate Recovery**

3. **Sustain Recovery**

Contrary to media reports and political language – **we are STILL in survival mode, not recovery** – everything depends on what happens in our schools



COVID did not Reveal Weaknesses in Our Systems

- We **KNEW** about (and did very little to fix):
 - Thousands of eligible Canadians not using existing supports
 - Gaps in Employment Insurance
 - Quality Issues in Long Term Care
 - Lack of Universal Access to Early Childhood Education
 - Patchwork of Access to Modern High-Speed Information and Telecommunications Links
- **This Crisis did not REVEAL those things but is HAS (possibly) created the popular will to spend the money to fix them**

The Road Forward

- Massive investment in government IT systems – move from the 1980's to the 2020's
- Close system gaps in existing benefits – start with deemed tax filing (people missing out on tax refunds, child support, childcare subsidies, senior income supplements)
- Change Employment Insurance to Income Insurance
- Increase standards, inspections, and subsidies for LTC
- Increase standards, inspections, and subsidies for ECE
- Close the ITC Gap in 2-3 years not 5-10

Why are we hesitating?

- Still obsessed with shovels in the ground: “Shovel Ready”
- Now talking about “**Shovel WORTHY**” too...
- Do not grasp the economic **contribution of women**
- Taxpayers want new **stuff for free**
 - New permanent programs cost money (15 student cap for example, expanded LTC and ECE)
- “**Never let a good crisis go to waste**” – very tempting advice given existing commitments and priorities – so far, governments of all stripes have done well listening to the “better angels of their nature”
- **...SO FAR**

