

Distribution of CERB: Estimating the Number of Eligible Young People Living with Parents

by Jason Clemens, Milagros Palacios, and Nathaniel Li

Summary

- The Canada Emergency Response Benefit (CERB) is a flat, taxable \$2,000 monthly benefit provided to eligible Canadians. The initial 16-week program was estimated to cost \$53.4 billion after cost recoveries from taxation.
- The program was recently extended by an additional 8 weeks. It is now estimated to cost \$71.3 billion after cost recoveries.
- To gauge the degree to which CERB benefits are potentially distributed to Canadians with questionable need, this analysis estimates the number of CERB-eligible dependent children aged 15 to 24 earning between \$5,000 and \$24,000 who are living with their parents in households with total incomes of \$80,000 and \$100,000 respectively. Many of these potential recipients could have seen their average monthly income increase after receiving CERB.
- There are an estimated 400,000 Canadians with earnings in 2019 of between \$5,000 and \$12,000 attending school, and living in a household with at least \$100,000 in total household income in 2019. The total potential cost of this group to CERB is \$4.8 billion (before cost recoveries) based on a 24-week benefit period (all cost estimates are presented based on the new 24-week period and before cost recoveries). This group would have experienced an increase in their average monthly earnings from the receipt of CERB compared to their 2019 earnings.
- Another 287,300 Canadians with the same characteristics earned between \$12,001 and \$24,000 in 2019. The total potential cost of this group to CERB is \$3.4 billion. This group would have experienced no decline in their average monthly earnings and would likely have seen an increase.
- Add in Canadians under the age of 18 with the same characteristics to the two previous groups—with earnings between \$5,000 and \$24,000—and the number of potential CERB recipients increases to 855,500 with a potential upper-bound cost of \$10.3 billion.
- Finally, if Canadians not attending school are added to the groups already noted, the number of potential CERB recipients increases to 985,200 with a potential cost of \$11.8 billion.
- A second analysis lowered the household income threshold to \$80,000. The total number of eligible dependent children increases to 1.1 million with a potential cost of \$13.3 billion.

Distribution of CERB to Young People Living with Parents

Introduction

The Canada Emergency Response Benefit (CERB) is at the heart of the federal government's response to the recession brought on by COVID-19.¹ It is a flat, taxable \$2,000 monthly benefit provided to eligible Canadians whose earnings and employment were affected by the response to COVID-19.² It was originally estimated to cost \$35.5 billion³ after tax recoveries,⁴ but the Parliamentary Budget Officer (PBO) has since increased the estimated cost to \$53.4 billion.⁵ The 16-week program was recently extended by an additional 8 weeks.⁶ The PBO estimates that the additional 8 weeks of benefits will cost \$17.9 billion, or a total of \$71.3 billion (after cost recoveries).⁷

CERB is an independent program of Employment Insurance, the main national program designed to deal with labour market displacements. This latter point is important given the nature of the analysis presented in this essay since few eligibility criteria were imposed on CERB applicants. They only had to state that they had minimum earnings of \$5,000 in the previous 12 months or in 2019, and that their earnings were adversely affected by the COVID-induced recession. Further, recipients cannot earn in excess of \$1,000 per month while receiving CERB. While stabilizing incomes is an important and legitimate policy response to recessions,⁸ concerns have been raised about the lack of targeting and the complexities associated with introducing new programs in so quickly.⁹

One of the many concerns related to CERB is the lack of income criteria—beyond the \$1,000 monthly cap on earnings—for eligibility to better target assistance to those in need. Specifically, the addition of household income as an eligibility criterion is one method by which to better target assistance to Canadians in genuine need and avoid payments to Canadians whose need is questionable. In particular, there is a concern related to student-aged Canadians living in homes with a reasonable household income. This potentially poorly targeted spending is all the more concerning given the state of federal finances, specifically a record-level def-

¹ The originally announced Emergency Care Benefit (ECB) and Emergency Support Benefit (ESB) were merged to create the new Canada Emergency Response Benefit (CERB).

² For further information on CERB, including eligibility and benefit details please see the Government of Canada website: <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>.

³ As of June 4, 2020, the total value of CERB benefits paid was \$43.5 billion, indicating its costs are above the initial estimates. See Canada (2020b).

⁴ The PBO's original April 30, 2020 estimate of CERB included \$40.6 billion in total costs minus \$5.1 billion in cost recoveries from personal income taxes (CERB is a taxable benefit) resulting in a net cost of \$35.5 billion. For details see PBO (2020, April 30).

⁵ See PBO (2020, June 18).

⁶ On June 16, 2020, the Prime Minister announced the extension of CERB by eight weeks, making the benefit available to eligible workers for up to a total of 24 weeks. For details see Office of the Prime Minister (2020).

⁷ See PBO (2020, June 23).

⁸ For a discussion of income stabilization during recessions please see Clemens, Veldhuis, and Palacios (2020, March 18).

⁹ For further information on the lack of targeting and types of concerns raised regarding the introduction of a new program, please see the following blogs by various authors: Hill, Palacios, and Whalen (2020, March 27); Veldhuis and Clemens (2020, March 26); and Clemens and Palacios (2020, May 22).

Distribution of CERB to Young People Living with Parents

icit, mounting spending pressures, and rapidly accumulating debt. Prior to the recession, per-person federal program spending (adjusted for inflation) recorded three straight years of historical highs, well exceeding the peaks in both world wars as well as the 2008-09 and early 1980s recessions.¹⁰ Moreover, at over \$250 billion, the Parliamentary Budget Officer has estimated that the expected deficit in 2020 will exceed any on record.¹¹

This essay estimates the number of young, student-aged Canadians living at home eligible for CERB and provides some proximate estimates of the potential cost.

Methodology

This essay relies on Statistics Canada's Social Policy Simulation Database and Model (SPSD/M), which is a micro-analysis system that includes detailed information for more than 1 million Canadians in over 300,000 households across the country. There are approximately 600 variables included for each individual, including earnings, taxes paid, transfers received from government, and demographic characteristics.¹²

The analysis was based on 2019 data¹³ from the SPSPD/M. It includes individuals aged 15 and

older in three different employment income groups, all living in a census family with a total household income of at least \$100,000, which is roughly equivalent to the median household income reported for 2018, the latest year of available data.¹⁴ Recall that the aim of this analysis is to determine the number of school-aged Canadians (aged 15 to 24) living with their parents that would have been eligible for CERB. The first group in the analysis is individuals earning between \$5,000 and \$12,000 in 2019 (both from employment and self-employment). This represents the lower limit of eligibility (\$5,000) for CERB and the upper limit of annualized earnings (\$12,000) currently permitted under CERB. It is worth noting that every individual in this category would have experienced an increase in their monthly earnings under CERB.

The second range of income is \$12,001 to \$24,000. The upper limit is based on the annualized value of CERB. Individuals in this group would have been made no worse off under CERB compared to their pre-recession monthly earnings and indeed would more likely have experienced an increase in their monthly earnings. The final group, and one presented for additional comparison, is individuals with earnings between \$24,001 and \$36,000. People in this group would have experienced a decline in their monthly earnings unless they chose to work and earn up to the \$1,000 (monthly) maximum permitted by CERB. The analysis presented in this essay focuses on the first two groups, though the latter is still of interest given the potential cost and the incentives for recipients in this group to remain on CERB.

an ability to privately save for such situations that lower-income households do not.

¹⁰ See Hill, Li, Palacios, and Clemens (2020).

¹¹ See PBO (2020).

¹² For additional information on Statistics Canada's SPSPD/M please see <https://www.statcan.gc.ca/eng/microsimulation/spsdm/spsdm>.

¹³ The authors recognize that some households with income exceeding \$100,000 (and \$80,000) in 2019 could have, and indeed likely were adversely affected by the recession such that their income declined. However, the authors also recognize, as does implicit government policy, that such households have

¹⁴ See Statistics Canada (2020), Table 11-10-0190-01.

Distribution of CERB to Young People Living with Parents

This analysis does not include individuals who did not qualify for CERB, largely due to a lack of required earnings (a minimum of \$5,000 in income in 2019 or the previous 12 months) but who did qualify for the Canada Emergency Student Benefit (CESB).¹⁵

The analysis is repeated but calculated with a lower level of total household income (\$80,000) to illustrate the potential increase in the number of eligible young people living with their parents—and thus the cost of the program.

The tables presented in this essay contain much information, but the analysis focuses specifically on the following variables: age, marital status, education status, and most critically, the age and education status of children living in a census family.

Finally, the cost estimates included in this analysis are based on the number of individuals identified in the tables multiplied by the 16-week benefit level of CERB (\$8,000). An additional estimate is offered based on the recent extension of CERB from 16 to 24 weeks—\$12,000.¹⁶ The analysis does not include provincial top-ups such as British Columbia's additional \$1,000 paid to CERB recipients. Also, note that the cost estimates are upper bound estimates; they assume that all individuals eligible for CERB in the various groups analyzed applied for and received CERB.

¹⁵ Please see Canada (2020c) for eligibility, benefits, and other information regarding CESB.

¹⁶ Originally CERB was available to eligible workers for 16 weeks. With the extension announced on June 16, 2020, the benefit will be available up to 24 weeks. According to the government, the monthly cost of the CERB is \$17 billion (see Curry, 2020, June 16).

Analysis #1 – Household income of at least \$100,000

Table 1 shows the results of the analysis for individuals with earnings in 2019 of between \$5,000 and \$36,000 who resided in a census family with total income of at least \$100,000. Our analysis focuses on individuals with earnings between \$5,000 and \$24,000, which means that, at worst, these individuals experienced no change in their monthly earnings and more than likely benefited from CERB by receiving higher monthly earnings.

There are a number of pertinent findings in table 1 to note given the focus on estimating the number of school-aged Canadians potentially eligible for CERB and living at home. A total of 917,700 individuals in Canada were estimated to have earnings in 2019 between \$5,000 and \$12,000. Another 1,027,500 had earnings between \$12,001 and \$24,000. All of these individuals lived in households with a total income of at least \$100,000. Put simply, 1,945,200 Canadians with earnings in 2019 between \$5,000 and \$24,000 lived in a census household with a total income of at least \$100,000.

Table 1 presents additional demographics that are helpful in narrowing the analysis. For instance, 48.9 percent (448,900 individuals) of those with earnings between \$5,000 and \$12,000 were between the ages of 18 and 24 and another 15.6 percent (143,400) were under the age of 18. An estimated 370,000 (36.0 percent) of those with earnings between \$12,001 and \$24,000 were between the ages of 18 and 24, and another 27,500 (2.7 percent) under the age of 18 (aged 15 to 17). The adjustment by age, therefore, reduces the number of potential individuals to 989,800.

Distribution of CERB to Young People Living with Parents

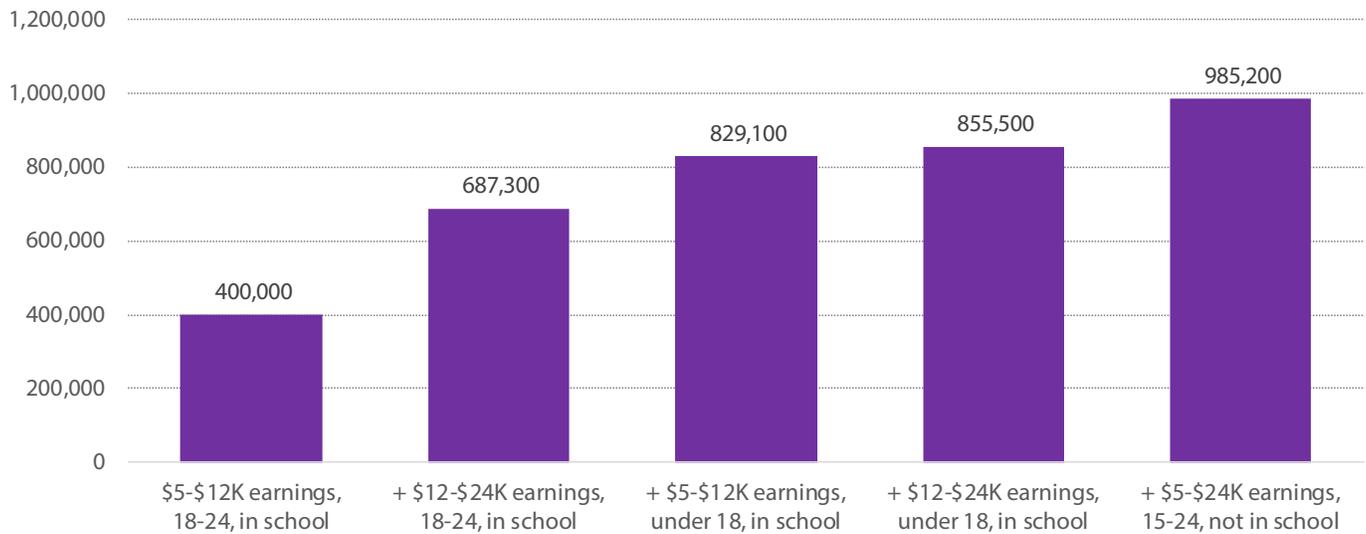
Table 1: Demographics of Individuals Living in a Census Family Household with Total Income above \$100,000 in 2019*

Total employment income	\$5,000 to \$12,000		\$12,001 to \$24,000		\$24,001 to \$36,000	
	Number (000s)	Share (%)	Number (000s)	Share (%)	Number (000s)	Share (%)
All	917.7	100.0	1,027.5	100.0	927.4	100.0
Age						
Under 18	143.4	15.6	27.5	2.7	1.1	0.1
18-24	448.9	48.9	370.0	36.0	173.3	18.7
25-64	273.7	29.8	564.7	55.0	716	77.2
65 and older	51.7	5.6	65.3	6.4	37	4.0
Sex						
Male	431.4	47.0	416.1	40.5	342.4	36.9
Female	486.2	53.0	611.3	59.5	585.0	63.1
Marital status						
Married/Common-law union	262.1	28.6	523.8	51.0	609.6	65.7
Single (never married)	645.2	70.3	493.3	48.0	303.1	32.7
Separated/Divorced/Widowed	10.4	1.1	10.4	1.0	14.6	1.6
Education attainment						
Less than high school graduation	144.9	15.8	86.8	8.4	53.3	5.7
Graduated high school or partial postsecondary education	412.1	44.9	389.6	37.9	275.2	29.7
Non-university postsecondary certificate or diploma	203.3	22.2	285.6	27.8	312.1	33.7
University degree or certificate	157.4	17.2	265.5	25.8	286.8	30.9
Educational status						
Not in School or N/A	349.9	38.1	665.0	64.7	793.8	85.6
School Full-Time	535.1	58.3	320.5	31.2	100.0	10.8
School Part-Time	25.6	2.8	31.7	3.1	33.3	3.6
Some of each	7.1	0.8	10.3	1.0	0.2	0.0
Job status						
Did Not Work	52.1	5.7	63.4	6.2	20.3	2.2
Full-time	386.3	42.1	514.7	50.1	703.9	75.9
Part-time	479.2	52.2	449.4	43.7	203.2	21.9
Number of earners in the census family						
1	46.4	5.1	61.1	5.9	41.0	4.4
2	221.7	24.2	356.6	34.7	427.8	46.1
3 and more	649.6	70.8	609.7	59.3	458.6	49.5
Relationship to census family head						
Head	78.0	8.5	101.3	9.9	107.2	11.6
Spouse	196.0	21.4	432.6	42.1	517.9	55.8
Child	643.6	70.1	493.5	48.0	302.3	32.6
<i>Under 18 in school</i>	141.8	15.5	26.4	2.6	0.6	0.1
<i>Under 18 not in school</i>	1.6	0.2	1.2	0.1	0.5	0.1
<i>18-24 in school</i>	400.0	43.6	287.3	28.0	79.2	8.5
<i>18-24 not in school</i>	46.7	5.1	80.2	7.8	90.6	9.8
<i>25 and over in school</i>	17.1	1.9	28.9	2.8	19.1	2.1
<i>25 and over not in school</i>	36.5	4.0	69.5	6.8	112.2	12.1

Note: Estimates are based on individuals with total employment income between \$5,000 and \$36,000.
Sources: Statistics Canada SPSPD/M.V.28; calculations by authors.

Distribution of CERB to Young People Living with Parents

Figure 1: Cumulative Estimate of Number of Individuals Eligible for CERB in Households with a Minimum of \$100,000 in Household Income



Sources: Table 1.

Another key characteristic is individuals identified as full-time students. An estimated 535,100 (58.3 percent) of those with earnings between \$5,000 and \$12,000 were identified as full-time students while 320,500 (31.2 percent) of individuals with earnings between \$12,001 and \$24,000 were identified as full-time students (see the Educational Status rows in table 1).

The critical analysis, however, comes from the data presented towards the end of table 1 and relates to the Relationship to Census Family Head. This analysis allows us to identify individuals aged 18 to 24 in school (and those not in school) living with parents.¹⁷ This latter point is

¹⁷ Please note that this difference between being categorized as a dependent child versus a spouse or perhaps even the head of the household explains the differences observed in tables 1 and 2 between specific demographics characteristics such as age or

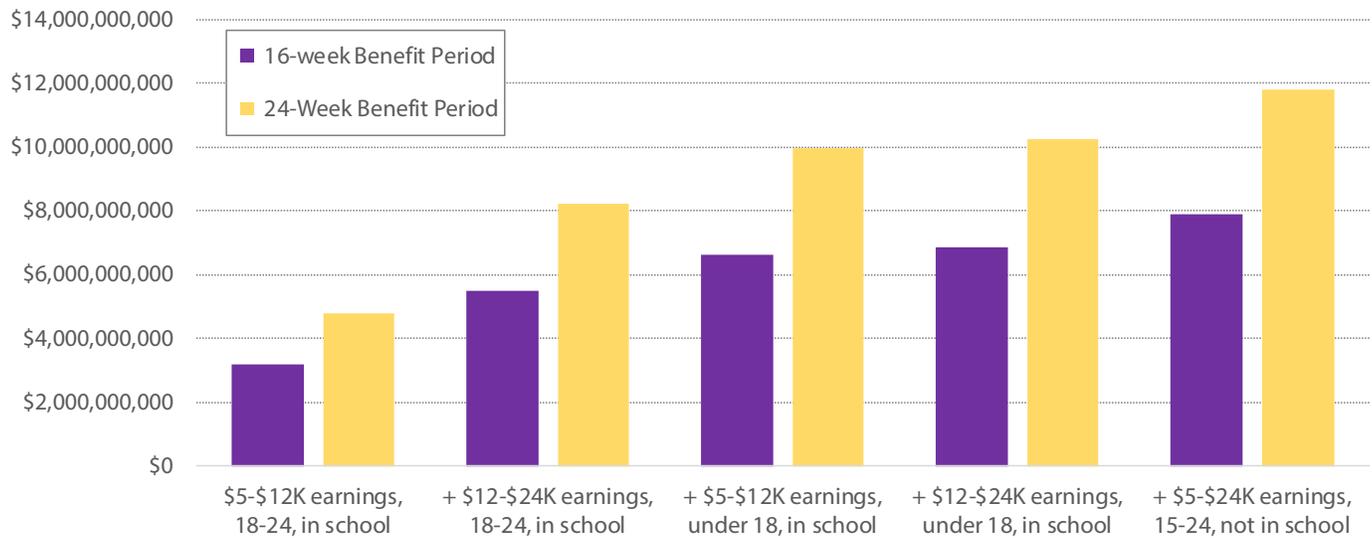
important since those individuals are deemed to be dependent within the household, thus narrowing the number of individuals from previous demographic data presented in table 1. Also, recall that the analysis includes only those individuals living in a household with a minimum of \$100,000 in total household income.

Figure 1 illustrates the estimated number of individuals eligible for CERB based on a number of criteria, including age, earnings, and education status. Figure 2 presents the potential cost estimates for both the original 16-week and extended 24-week benefit period based on the estimated number of eligible individuals shown in figure 1. Please note that the numbers in figures 1 and 2 are cumulative and represent upper bound estimates of the potential cost.

educational status compared to the key section of analysis Relationship to Census Family Head.

Distribution of CERB to Young People Living with Parents

Figure 2: Cumulative Cost Estimates of CERB for Various Individuals in Households with a Minimum of \$100,000 Household Income



Sources: Table 1.

A total of 400,000 individuals (43.6 percent) with earnings between \$5,000 and \$12,000, aged 18 to 24, and attending school (full-time and part-time) were identified. The potential cost for this group alone is estimated at \$3.2 billion based on the original 16-week benefit period.

There are another 287,300 individuals with earnings between \$12,001 and \$24,000, also aged 18 to 24 and attending school. The combined 687,300 individuals aged 18 to 24, attending school, and living with their parents, represent a total potential cost for CERB of \$5.5 billion (upper bound) based on the original 16-week benefit period. The cost for this group increases to a potential \$8.2 billion once the extended benefit period of 24-weeks is included (see figure 2).

There are also 141,800 individuals under the age of 18 and attending school who have earnings between \$5,000 and \$12,000, and another 26,400 with earnings between \$12,001 and \$24,000. If these individuals are added to those above, the potential upper bound cost estimate for the original 16-week benefit period increases to \$6.8 billion. The potential cost rises to \$10.3 billion once the extended benefit period (24 weeks) is included in the analysis.

Finally, if the individuals aged 15 to 24 (both categories of 18 to 24 and under 18) with earnings between \$5,000 and \$24,000 (two groups) and *not in school* are added to the individuals above, the potential estimated cost for CERB increases to \$7.9 billion for the original 16-week benefit period, and \$11.8 billion for the extended 24-week benefit period.

Distribution of CERB to Young People Living with Parents

Recall that the total estimated cost of CERB for the original 16-week period was \$40.6 billion before cost recoveries based on taxing CERB.¹⁸ The PBO has since updated their estimates for the original 16-week program (not including the expanded 8 weeks of benefits recently announced) and projects the costs for CERB before cost recoveries of \$61.1 billion.¹⁹

This means that before accounting for cost reductions from taxes applied to CERB, the share of the gross CERB paid that could potentially be accounted for by young people living at home and attending school (full or part time) with earnings between \$5,000 and \$24,000 could be as high as 11.2 percent. If young people not attending school are added, the potential share of CERB costs (pre-cost recoveries) could be as high as 12.9 percent. It's also worth noting that little, if any, cost recovery based on personal income taxes will be achieved for those with earnings between \$5,000 and \$12,000 in 2019, meaning that the share of the net CERB costs will be higher for these groups than noted above.

Analysis #2 – Household income of at least \$80,000

To gauge the sensitivity of the results presented in table 1, we completed a second analysis that replicated the analysis of table 1 but with a lower family income threshold. Specifically, table 2 contains the results of the analysis looking at the number of individuals with earnings in 2019 of between \$5,000 and \$36,000 who resided (and were deemed dependent) in a census family with total income of at least \$80,000 rather than the original analysis of \$100,000. Please note again that our analysis focuses on

those individuals with earnings between \$5,000 and \$24,000.

Not surprisingly, the lower income threshold for the census family results in more individuals included in the analysis. For instance, as table 2 shows, the number of individuals identified as living in a census family with total household income of at least \$80,000 who had individual earnings of between \$5,000 and \$12,000 increases to 1,107,100 from 917,700 that was the case when the lower limit of total household income was \$100,000. Similarly, the number of individuals with earnings between \$12,001 and \$24,000 increases from 1,027,500 (when only those residing in families with \$100,000 and above were considered) to 1,361,300 with the lower threshold for total household income.

Again, the key analysis, contained towards the end of table 2, includes those individuals identified as children (dependent) aged 15 to 24 living in a family with at least \$80,000 in total household income.

Figure 3 illustrates the number of estimated eligible individuals and figure 4 presents the potential cost estimates (upper bound) for both the original 16-week and extended 24-week benefit period based on the estimated number of eligible individuals presented in figure 3. Please note that the numbers illustrated in figures 3 and 4 are cumulative and represent an upper bound estimate.

For those identified as students, there were 443,100 individuals aged 18 to 24 with earnings between \$5,000 and \$12,000, up from 400,000 in the previous analysis. There were an additional 319,400 individuals aged 18 to 24 attending school with earnings between \$12,001 and \$24,000, an increase from the 287,000 identified in the previous analysis (table 1). The potential total cost to CERB from this group for the

¹⁸ See PBO (2020, April 30).

¹⁹ See PBO (2020, June 18).

Distribution of CERB to Young People Living with Parents

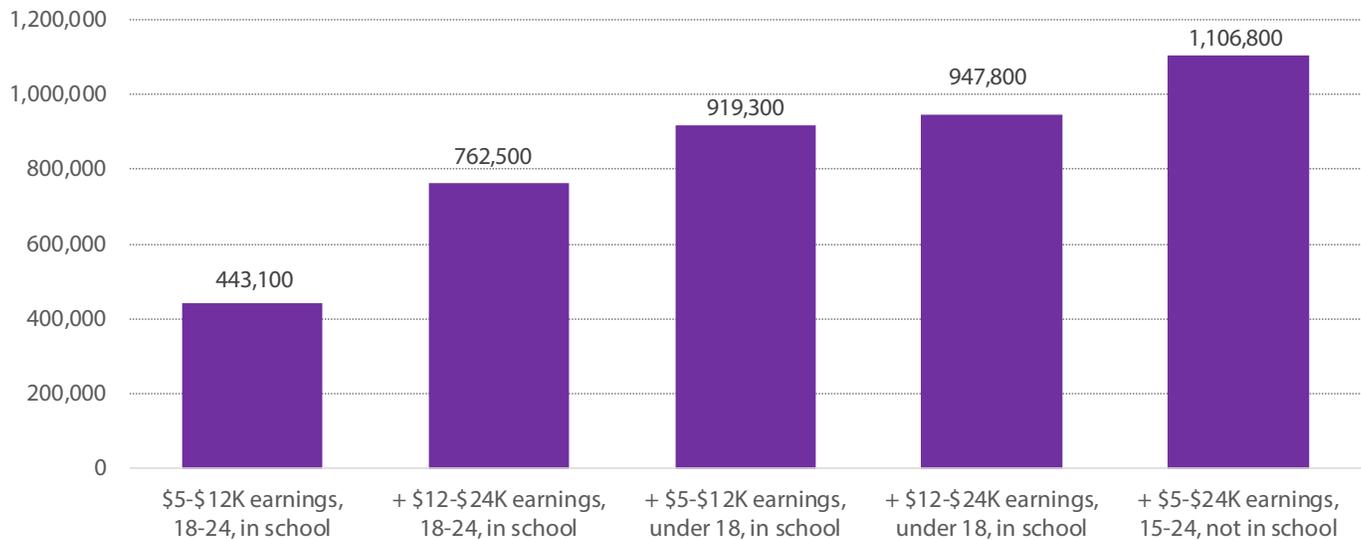
Table 2: Demographics of Individuals Living in a Census Family Household with Total Income above \$80,000 in 2019*

Total employment income	\$5,000 to \$12,000		\$12,001 to \$24,000		\$24,001 to \$36,000	
	Number (000s)	Share (%)	Number (000s)	Share (%)	Number (000s)	Share (%)
All	1,107.1	100.0	1,361.3	100.0	1,284.2	100.0
Age						
Under 18	160.9	14.5	33.4	2.5	2.1	0.2
18-24	497.9	45.0	433.6	31.9	207.6	16.2
25-64	373.6	33.7	789.2	58.0	1006.5	78.4
65 and older	74.8	6.8	105.1	7.7	68.1	5.3
Sex						
Male	502.3	45.4	547.8	40.2	484.9	37.8
Female	604.9	54.6	813.5	59.8	799.3	62.2
Marital status						
Married/Common-law union	367.4	33.2	769.8	56.5	896.6	69.8
Single (never married)	724.1	65.4	570.7	41.9	363.4	28.3
Separated/Divorced/Widowed	15.6	1.4	20.8	1.5	24.2	1.9
Education attainment						
Less than high school graduation	175.0	15.8	123.3	9.1	98.5	7.7
Graduated high school or partial postsecondary education	487.7	44.1	499.9	36.7	390.4	30.4
Non-university postsecondary certificate or diploma	253.8	22.9	400.1	29.4	441.2	34.4
University degree or certificate	190.7	17.2	338.0	24.8	354.1	27.6
Educational status						
Not in School or N/A	475.0	42.9	943.1	69.3	1,121.3	87.3
School Full-Time	595.3	53.8	367.0	27.0	120.0	9.3
School Part-Time	28.5	2.6	39.2	2.9	40.8	3.2
Some of each	8.3	0.7	12.0	0.9	2.0	0.2
Job status						
Did Not Work	67.5	6.1	80.8	5.9	30.0	2.3
Full-time	456.3	41.2	701.9	51.6	987.3	76.9
Part-time	583.4	52.7	578.5	42.5	266.8	20.8
Number of earners in the census family						
1	66.8	6.0	106.7	7.8	86.6	6.7
2	328.1	29.6	561.4	41.2	684.2	53.3
3 and more	712.2	64.3	693.2	50.9	513.3	40.0
Relationship to census family head						
Head	107.5	9.7	172.8	12.7	197.8	15.4
Spouse	281.6	25.4	624.6	45.9	728.6	56.7
Child	718.0	64.9	563.9	41.4	357.8	27.9
<i>Under 18 in school</i>	156.8	14.2	28.5	2.1	1.5	0.1
<i>Under 18 not in school</i>	4.1	0.4	4.9	0.4	0.5	0.0
<i>18-24 in school</i>	443.1	40.0	319.4	23.5	92.7	7.2
<i>18-24 not in school</i>	51.5	4.7	98.5	7.2	102.2	8.0
<i>25 and over in school</i>	20.2	1.8	32.1	2.4	20.2	1.6
<i>25 and over not in school</i>	42.3	3.8	80.5	5.9	140.7	11.0

Note: Estimates are based on individuals with total employment income between \$5,000 and \$36,000.
Sources: Statistics Canada SPSPD/M V.28; calculations by authors.

Distribution of CERB to Young People Living with Parents

Figure 3: Cumulative Estimate of Number of Individuals Eligible for CERB in Households with a Minimum of \$80,000 in Household Income



Sources: Table 2.

original 16-week benefit period is estimated at \$6.1 billion. The potential cost estimate increases to \$9.2 billion once the extended 24-week benefit period is incorporated into the analysis.

There are also 156,800 individuals identified with earnings between \$5,000 and \$12,000 and another 28,500 with earnings between \$12,001 and \$24,000 under the age of 18 and attending school. If these individuals are added to those above, the potential cost to CERB increases to \$7.6 billion for the original 16-week benefit period. This represents up to 12.4 percent of the total originally estimated cost of CERB (pre-tax recovery) based on a 16-week benefit period. The cost estimate increases to \$11.4 billion (upper bound estimate) if the benefit period is extended to 24-weeks.

Finally, if those aged 15 to 24 with earnings between \$5,000 and \$24,000 (two groups) and not in school are added to the individu-

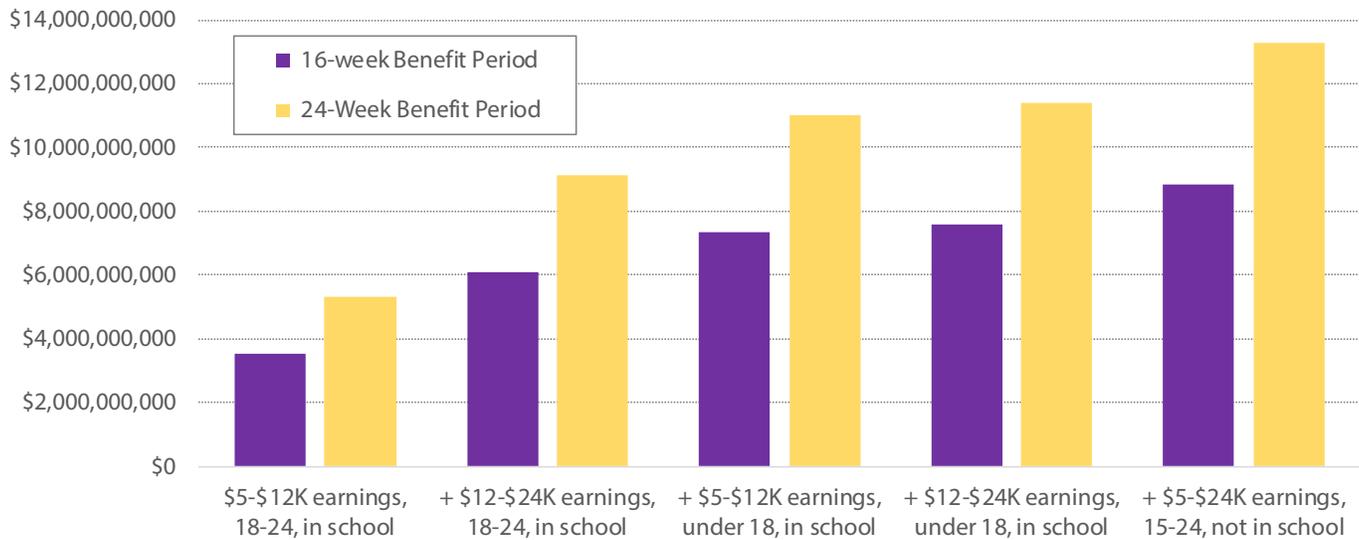
als above, the potential CERB cost increases to \$8.9 billion, which represents up to 14.5 percent of the total original estimated cost of CERB (pre-tax recovery). The estimated cost increases to \$13.3 billion if the benefit period is extended to 24 weeks.

Conclusion

The federal government's attempt to stabilize household incomes during the recession is reasonable and appropriate economic policy. However, the introduction of multiple new programs, including the Canada Emergency Response Benefit (CERB), which is the focus of this analysis, rather than relying on the existing Employment Insurance system has created the possibility for oversights and design errors. The lack of financial eligibility criteria for CERB related to household income has resulted in the real possibility of substantial num-

Distribution of CERB to Young People Living with Parents

Figure 4: Cumulative Cost Estimates of CERB for Various Individuals in Households with a Minimum of \$80,000 Household Income



Sources: Table 2.

bers of Canadians with questionable need being eligible for CERB, increasing the potential cost of the program. This is particularly concerning given the historical decline and deterioration in federal finances in 2020.²⁰ Our analysis indicates that up to 985,200 Canadians under the age of 25, most of whom are attending school, with earnings between \$5,000 and \$24,000 living in a house with at least \$100,000 in total household income were eligible for CERB. The potential cost to CERB could be as high as \$7.9 billion, which is greater than one out of every eight dollars of CERB's gross cost.²¹ The cost

²⁰ For a discussion and analysis of the historic level of borrowing in 2020-21 (i.e. the deficit), please see the June 2020 report by the Parliamentary Budget Officer: PBO (2020).

²¹ Please note this calculation is pre-cost recovery from income taxes applied to CERB and is based on

estimate increases to \$11.8 billion once the extended benefit period (24 weeks) is included in the analysis.

If the total household income threshold is lowered to \$80,000, the number of potential eligible young individuals increases to 1.1 million, with a potential cost of \$8.9 billion based on the original 16-week benefit period, which is up to 14.5 percent of the PBO's cost estimate of CERB (pre-tax recovery). The potential cost estimate increases to \$13.3 billion once the extended benefit period of 24 weeks is included in the analysis.

Clearly the lack of household income as a qualifying criteria for CERB eligibility has resulted

the revised PBO estimate of the cost of the original 16-week program. Given the income levels of the individuals included in this analysis, very little cost recovery from income taxes should be expected.

Distribution of CERB to Young People Living with Parents

in many young-people (school-aged) being eligible for CERB with questionable need. Indeed, most of the eligible individuals identified in the analysis would have experienced an increase in their monthly earnings while residing at home with parents with comparably higher household incomes (minimum of \$80,000 in table 2).

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