2 in 3 Unemployed Canadians Prefer the $2,000 CERB Over Working

Description

Many employers in Canada are optimistic about reopening, but rehiring or recalling employees is becoming a problem. According to the Canadian Federation of Independent Business (CFIB), people are not enthusiastic to report back for work.

CFIB president Dan Kelly noted that the Canada Emergency Response Benefit (CERB) has become a disincentive to return to work. The federation's survey results on 3,339 employers reveal that 62% of the out-of-work staff prefer to stay put and receive the CERB. They would rather be on the government's lifeline than work.

Employers' side

The CFIB survey gave a list of options for employers to answer on why employees are skipping work. The 62% revelation came from 870 businesses. Worries about contracting the virus at work were 47%, while 27% answered child and family care duties as the concerns. Only 7% ticked, taking public transportation as the hindrance.

Notably, the resistance is high, particularly in the hospitality and related industries. Conflicts arise in other sectors such as child care, dental clinics, home health care, amusement parks, gambling, and spectator sports. Kelly stresses, however, that CERB is not money to fund a summer break but emergency support.

Workers' objection

The Unite Here union in Canada representing hospitality workers disagrees with the employers. Union director Ian Robb said workers are impatient to return to work. He cites the failure of employers to adopt measures like frequent cleaning and wage subsidies. Members in the U.S. returned to work but got the COVID-19 infection.

The government is encouraging displaced workers to seek job opportunities actively. Also, they should abide by an employer's request to return if it's reasonable to comply. Based on Canada's COVID-19 guidelines, an employee must already "be at work" to refuse to do a dangerous job.

Non-stop lifeline

Some Canadians with extra resources are scouting for investment opportunities to be self-sufficient. Earning investment income can reduce over-reliance on government aid. Dividends from stocks can also compensate for income loss or add to CERB for greater financial stability.

Income investors and retirees, for example, depend on **Enbridge** (TSX:ENB)(NYSE:ENB) for non-stop lifeline. This $84.87 billion energy infrastructure company has been delivering superior shareholder value for decades now. Its business model is low risk, while cash flows are predictable.

You can purchase the energy stock today at less than $50 per share and earn handsomely from its 7.81% dividend. An investment of $12,000 (total CERB equivalent) can generate $937.20 in passive income. The earning can be for a lifetime. Your capital can compound to $25,454.92 in 10 years.

The balance sheet of this global infrastructure leader is top notch. Enbridge can sustain the payouts because it's a pure regulated pipeline and utility business. Beyond 2020, management expects to yield long-term earnings and cash flow growth rate of 5-7%. The combination of base business growth and $5-$6 billion of annual capital growth are the key drivers.

The economy needs a spark

A workable solution must come soon to end the growing tension between employers and employees. The CFIB is suggesting that the government focus on a nationwide subsidy program as it moves to unsubsidized unemployment. If millions can return to work, it would spark Canada's recovery.

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