



\$2,000/Month CRA CERB: Will it Become Universal Basic Income?

Description

The original Canada Emergency Response Benefit (CERB) and the ensuing enhancements are among the [radical measures](#) by the federal government of Canada. CERB aims to provide economic support to Canadians affected by COVID-19.

According to the Canada Revenue Agency (CRA), the number of applications has reached 11 million. The CRA has paid out almost \$30 billion so far. Eligible Canadians are receiving \$2,000 monthly for up to four months.

But as more people feel the financial [fallout from the pandemic](#), many groups are clamouring to make CERB a universal basic income. 50 senate members sent letter requests to the prime minister, deputy prime ministers, and finance minister.

The call is for government leaders to consider further evolution of the CERB, so there could be an implementation of a minimum basic income.

Burning issue

Transforming CERB into a universal basic income is now a burning issue. Amid criticisms, Prime Minister Justin Trudeau is rejecting the proposal. He argues that the temporary boost is for the millions who need financial help. He adds that other Canadians do not need help.

The proponents countered by saying there should be no marginalized Canadians. If CERB is a universal benefit, any Canadian in financial distress due to the coronavirus will qualify.

Trudeau is aware that the government-assistance programs are not reaching everyone who needs help. However, he maintains that the situation is complicated. While a universal basic income would ensure greater economic and social equity, the Canadian government is not ready to embrace the idea.

Resilient industry in the pandemic

The aging population in Canada is most vulnerable to COVID-19, including all others with mobility problems. But one enterprise that is showing resiliency is **Savaria** ([TSX:SIS](#)). Mobility product needs are unchanging, and this \$575.33 million company will ensure it will meet those needs.

Savaria is one of the global leaders in the accessibility industry. In 2019, the company reported \$374 million in revenue, which is a 30.9% growth from 2018. Adjusted net earnings came out to \$26.8 million, or a 37.4% improvement from the previous year.

The company will be presenting its first-quarter 2020 financial results on May 13, 2020. Savaria's president and CEO, Marcel Bourassa, know that COVID-19 will affect the business somehow. Still, he sees organic growth to continue in 2020 and the coming years.

From an investment standpoint, you can include Savaria in your watch list. As of May 8, 2020, the stock price is \$11.37, while the dividend yield is 4.02%. You have a growth stock in the making.

Future CERB review

There are merits as well as drawbacks in the proposal to make CERB a universal basic income. Expect the debate to be intense, as the push to make the impermanent taxable benefit permanent intensifies.

Once the pandemic is over, the government might find the time to review CERB and put in more changes. There was a basic income pilot introduced in 2017 that ended prematurely. But if CERB becomes universal today, it should be free from exploitation and not encourage dependence, sloth, and avarice among Canadians.

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