



## \$2,000 CRA Emergency CERB: Is it a Mistake?

### Description

The Canada Revenue Agency (CRA) deserves commendation for doing an excellent job during the 2020 pandemic. Canadians are lining up to enroll for various wage support and benefit programs. The most prominent of all is the Canada Emergency Benefit (CERB).

Millions of displaced workers and self-employed individuals are lining up to receive the emergency CERB from the CRA. However, this [temporary financial aid](#) is becoming a controversial issue. Was the introduction of CERB a mistake?

### Government stand

Many groups are calling on the federal government to make CERB a universal basic income. Prime Minister Justin Trudeau and his administration are not amenable to the idea. The clamour reminds me of this quote: "Give them a hand; they will take the whole arm." From one angle, that appears to be the case.

At the onset of the pandemic, the primary goal was to get help to those who needed [emergency money](#). Trudeau justifies his position by saying converting the temporary package into a permanent one is not as simple as it sounds. He knows millions of Canadians need help, but others do not need help.

### The pitch of advocates

The unemployment rate is rising fast, because many companies are implementing layoffs. Workers are the first to go in any cost-cutting measures. People advocating for a universal basic income is criticizing the government for making quick fixes. A universal measure will ensure there are no marginalized Canadians.

Another contention is that the government will no longer resort to cumbersome changes as and when the need arises. Rolling out a permanent program solves the problem instantly. All Canadians will have money when a crisis like COVID-19 hits the country again.

## Valuable lesson

You can learn many lessons from the emergency health crisis. One of them is the importance of saving and investing. Your investment income can compensate for the temporary loss of income. Likewise, you have more to add to the emergency money the government will dole out.

Investors went on panic mode at the height of the 2020 market selloff. However, not all businesses are tanking. Some are even doing better during the pandemic. More importantly, established dividend payers like the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) will not disappoint shareholders.

Consider investing in the largest bank in Canada if you want a steady income stream from today until a century, This \$117.15 billion company is the second-largest company on the TSX in terms of market capitalization. **Shopify** is the top company at present, although it's not a Dividend Aristocrat like RBC.

RBC is not as pricey as Shopify (\$82.27 versus \$1,154.32) but pays a lucrative 5.25% dividend. Assuming you have \$50,000 to invest, the monthly passive income is \$218.75. The value of your money will compound if you will keep reinvesting the dividends. In terms of dividend history, this bank has been sharing profits for 150 years.

## Up in the air

The rollout of a permanent and blanket CERB could have been better instead of a short-term program. However, there should be a way to claw the benefit back in case there's no real need. For now, we don't know where the wind will blow.

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