



## More \$2,000 Cheques? Or \$0? The CRA Might Extend CERB

### Description

The CERB payment has been nothing short of an actual lifeline for many Canadians whose lives were disturbed by the pandemic. They can pay their bills, put food on the table, and pay rent to ensure a roof over their head. But it can't continue this way forever. A government's resources aren't unlimited, and many prominent people question the practice itself.

So, what would it be? Will the government keep paying \$2,000 a month to people whose lives were disrupted by the pandemic, or will it stop in October?

### \$2,000 or \$0?

The CERB payments may be extended if the country experiences a second wave of the pandemic. That would most likely undo any progress the provinces made in the course of reopening and send the economy back down in a spiral. And if people's livelihood were affected before when the pandemic hit a properly functional economy, a second wave will hit an already recovering economy much harder.

If that happens, the government may need to take many drastic measures to contain the situation. That may include continuing CERB for a longer period.

However, if the country keeps recovering and reopening, the CERB may no longer continue. And even if a "manageable" second wave comes about that doesn't instigate the kind of isolation measures and lockdowns that the first wave did, the CERB payment may not continue.

### Continuing without CERB

Ideally, you will be able to restore your income to a manageable level in the few months' reprieves you got because of CERB. Even better is if you have a secondary source of income. You can either look for a second job or a part-time gig; even small online jobs can help you boost your overall income a bit.

One of the best ways to create an alternative income source is an investment. You can do so by

buying dividend stocks (that would require a hefty amount of capital for any sizeable dividend-based income) or leveraging on both dividends and capital growth of your stocks. You may not be able to do so in your current situation, but once you get back on your feet, you should have an investment plan.

Let's say you earn \$50,000 a year. If you can take \$6,000 out of your yearly income and place it in your TFSA, you can build a decent-sized nest egg in about a decade or so. And building nest eggs in TFSA is great, because you wouldn't owe any taxes, and it won't bump you into a higher tax bracket.

One of the companies you may [consider investing](#) in is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). It's an energy [Dividend Aristocrat](#) with a nine-year dividend-growth streak. It's one of the few stocks in the sector that has already recovered from the market crash. Many of the companies are struggling to keep up, but AQN's first-quarter results have been quite encouraging. The net income from continued operations took a hit, but the EBITDA actually grew a bit.

The company has an internationally diversified set of generation, transmission, and distribution assets, focusing on renewable energy sources. The company offers utilities to over 800,000 people in the country and in the United States. The stock has grown very steadily and at a decent pace for the past 10 years. The 10-year CAGR is about 22%. At this pace, the company can offer you a nest egg of \$215,000 in a decade, with a \$6,000-a-year investment.

## Foolish takeaway

Whether the CERB continues or not, you have to start looking into other options. Even if you can't find formal employment at the moment, there might be something you would be able to do. Look for an online job, try to learn something easy that can help you make some money online, and start consolidating your assets, so even if CERB doesn't continue, you aren't left completely destitute.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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