



BREAKING: Student Emergency Grant Over — Now What?

Description

While a number of emergency benefits received extensions during the past few weeks, there was one benefit that quietly slipped to the side. That was the Student Emergency Grant, a grant where students could receive up to \$5,000 for volunteering during the pandemic.

The grant would have been a life saver for many students who were unable to get a job this summer. From May to August, many students rely on income to pay down student debts. Not only that, students also need this time to gain experience. So, what happened?

The CSSG

As mentioned, students and recent graduates were severely impacted by the fall in the economy back in March. The number of working students tumbled 28% between February and March of this year. Not only now are students being forced to either put off education or learn from home, but it's now unclear how they can gain skills and earn income during the pandemic.

The Canada Student Service Grant ([CSSG](#)) offered students between up to \$5,000 to help cover costs of post-secondary education for eligible volunteer work. When announced, over 35,000 students applied within the first week alone. The federal government announced it had \$900 million from WE Charity to help cover the costs of this effort.

But unfortunately, this week that came to an end. WE Charity ended the partnership with the federal government, and Prime Minister Justin Trudeau is in hot water. Critics say Trudeau's connection to the charity made the partnership unethical. Trudeau attended many WE Day events with his mother, and his wife Sophie Grégoire Trudeau hosts a podcast called "WE Well-being."

Meanwhile, WE cut ties as the program received criticism from the outset, according to a statement. "Our concern is that to continue in this way, the program itself will begin to suffer – and as a consequence, opportunities for students might be negatively affected. Not only would that be unwelcome, it is unnecessary."

WE out — what now?

There are still other options for students in need of financial support. The most obvious one is the Canada Emergency Student Benefit (CESB). This benefit gives eligible students \$1,250 every four weeks for a total of 16 weeks between May and August.

If the student has a disability or dependents, that number increases to \$2,000 every four weeks. This benefit is for students that don't receive employment insurance (EI) or the Canada Emergency Response Benefit (CERB).

But there are other options for students who have even a little cash set aside. Rather than keeping your savings in an account that charges management fees, put that same amount into a Tax-Free Savings Account (TFSA). Not only will your cash be kept safe from taxes, but it'll increase rather than deplete over time.

Foolish takeaway

Right now is a great time to buy up stocks on the cheap that you can hold onto for decades. Students have a benefit when it comes to investing: time. If you have the time to put even \$1,000 aside, you can see that cash grow over decades. Let's look at investing in **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) as an example.

In the last two decades, TD Bank grew 243% as of writing. The bank is tied for first at the largest bank by market capitalization. It's been around for 168 years, and so a great bet it'll be around in 20 years from now.

The stock also has a [stable dividend yield](#) of 5.21% that's recently been increase. In the last decade, that dividend yield increased an average of 16% per year! It also has a payout ratio of 52.81% as of writing. So if you take those stable dividends and put them back into your investment, it becomes even larger.

If you were to take that \$1,000 and put it into TD Bank, reinvesting dividends, you could walk away with an incredible \$140,593.97! Not bad for only a couple bucks put aside.

And during the downturn, those dividends can be used to keep you afloat. Win, win, and win.

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