



## CERB Days Are Numbered: Here's a Better Option

### Description

It can't be helped. Everyone loves free money. So when the government almost immediately offered it up to Canadians, of course they came in droves. Even if you had a job, who was to say you'd have one in a week? Or a month? Applying for the Canada Emergency Response Benefit (CERB) then was simply the smart choice to make.

Fast forward to today. There have been four payments, and an extension until October at least. Millions of Canadians have been affected financially by the pandemic, either losing their job or having less work to do. In that time, about 8.5 million Canadians received CERB. That's over \$50 billion the federal government has handed out. So far.

### So, what's next?

While some may have high hopes that CERB could turn into a [universal basic income](#) (UBI), that looks unlikely. For starters, Canadians now have a deficit of \$343 million. That's a level of spending not reached since the Second World War.

Second, the government is completely against the idea. The government has to pay back that deficit before considering any type of UBI, even if it wanted to create one.

Now, about 40% of Canada's work force is fairly dependent on CERB. The question is, how to wean them off? The first level is the carrot. The government might start taking funds away from CERB, and diverting them to back-to-work measures. This would include the Canada Emergency Wage Subsidy program.

This program gives employers the means to pay employees to get back to work. A similar program used in Germany has worked well. In that country unemployment is at 6.5%, compared to Canada's 13.7%.

The second level is the stick. I'm sure you've heard how fines are now being dished out, with the Canada Revenue Agency (CRA) sending you a bill if it looks like you either received CERB when you

shouldn't have, or even lied full stop. But it could get worse.

If you're found to have lied to receive the benefit, it could soon be treated as tax fraud. So, limitations are likely to increase on who can and can't receive CERB.

## Ditch CERB

The safest option? Ditch CERB all together. Of course there are those who really need this income right now. There are also those who could use the income but could soon be denied by the CRA. So, take a step ahead and consider making an investment. That investment could bring in passive income not just this year, but every year for the rest of your life.

For my money, **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NASDAQ:BPY) is a great option. The multi-billion dollar company has assets around the world, ranging from office to industrial properties. It also is connected to a number of areas of industry, including renewable industries and management of those properties. So the company has plenty of cash coming in to support any downturn.

But honestly, the stock is doing quite well. The company's recent [quarterly reports](#) saw funds from operations reach \$309 million, an increase of \$2 million during the first quarter affected by the pandemic. Net income, on the other hand, saw a loss of \$373 million compared to a gain of \$713 million the same time last year. But shares have come back 50% since bottoming out at \$10 per share, so well on the way back to the \$20 range.

Then there's the company's strong dividend yield of 12.63% as of writing. That dividend has grown 78% in the last five years, for an average of 15.66% per year.

## Bottom line

A \$20,000 investment in Brookfield today would bring in annual income of \$2,520, meeting your one-month CERB payment. As well, you have a potential upside of about 65% to reach pre-crash prices. That could turn your \$20,000 into \$33,333 in just a year. A total of \$15,853 is something CERB just can't match.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

**Category**

1. Coronavirus
2. Dividend Stocks
3. Investing

**Date**

2025/07/06

**Date Created**

2020/07/19

**Author**

alegatewolfe

default watermark

default watermark