CRA Emergency Measures: $19 Billion More

Description

It would be a gross understatement to say that CRA is having a busy year. The department has been stretched thin, dealing with government subsidies, a delayed tax season, and dispersing (and now tracking) CERB payments to people who have been affected most during the pandemic.

In times like these, the federal government, all of its departments, and provinces; every relevant entity needs to come together and work in harmony. Thankfully, that's what happened. Now, when the worse is hopefully behind us, and the country is moving toward proper reopening, there is one last funding that the federal government has to dish out.

The $19 billion emergency fund (and its disbursement channels) has been agreed upon by the federal government and provinces. The fund is expected to help provincial governments and municipalities ease through the reopening process and replenish their coffers to a degree since the usual earning methods (parks, transit, etc.) have been closed off.

While the fund won't reach Canadians directly (like CERB did), even if they have suffered significant financial losses during the pandemic, it will help them indirectly. When the economy reopens, and finally starts moving toward recovery, it will be easier for Canadians to find jobs and reclaim their lost income sources.

Whether or not your income source was affected by the pandemic, you must've realized the importance of emergency funds and nest eggs.

The best way to build enough wealth that you can live through another pandemic (at least financially), is to save more and invest more. The market is still shaky, and you can still find amazing stocks that are trading at a discount. Investing in them now can help you secure yourself a safer financial future.

A bank stock

Canadian banks, especially the Big Five, are among the behemoths trading on **TSX**, with four in the top 10. But a better pick might be the smallest of the Big Six, the **National Bank of Canada** (TSX:NA).

National bank has been growing its stock price much faster than the Big Five banks.

Its five-year compound annual growth rate (CAGR) is 11.28%, which is sustainable enough, and if the bank continues to grow at this pace, this growth rate is enough to make you a fortune.

The national bank is also an aristocrat with a juicy yield of 4.5%. The dividend growth rate is adequate (31% in the past five years), and the payout ratio is stable. As is the case with other stocks in the financial sector, the National bank is still trading at a 15% discount from its start-of-year value, making it a bargain.

A financial company

If you want to add a bit of rapid growth in your portfolio, an amazing choice would be **goeasy** (TSX:GSY). The alternative financial institution is still trading at a price that's 31% down from its pre-crash high.

That's a substantial discount, especially for a stock that used to be quite overvalued but is now trading at a reasonable price. The forward price to earnings is just 9.6, and price to book ratio is 2.2 times.

Even though it's a generous aristocrat (with a modest yield of 3.3%), goeasy packs quite a punch when it comes to capital growth. Even at its rundown valuation, the company offers a five-year CAGR of 26.5%. The company's balance sheet is stable, and the return on equity is pretty decent (20.9%).

Foolish takeaway

The government is supposed to take care of its people. But there is only so much that the government can do, and if you don't have a financial plan or backup in case you lose your income source, that doesn't necessarily entitle you for government support.

Rather than worrying about CRA emergency measures and government support, you should focus on building up your emergency reserves.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:NA (National Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/08/18
Date Created
2020/07/25
Author
adamothman