



\$5,000 Student Crisis Money: A CRA Alternative to CERB

Description

COVID-19 is wrecking the plans of Canadian students in 2020. Getting summer jobs won't be as easy as before. Instead of hiring people, many businesses are letting go of employees or sending them on [furloughs](#). Displaced workers are applying for the Canada Emergency Response Benefit (CERB) to receive temporary financial support.

Students, however, are in dire need of money too. The opportunities to work, earn, and save for education costs in the next school year are getting slimmer. The majority don't even qualify for the CERB or Employment Insurance (EI). Fortunately, the federal government came to the rescue with an alternative to CERB.

CESB

If you're a post-secondary student or recent post-secondary and high school graduate hoping to earn at least \$5,000 during the school break, your hope has been revived. You can apply for the Canada Emergency Student Benefit (CESB), and the Canada Revenue Agency (CRA) will extend the much-needed financial support.

CESB is the \$5.2 billion emergency package for the younger folks that were [financially handicapped](#) by the pandemic. Should an applicant meet the eligibility requirements, the entitlement is \$1,250 per month or \$5,000 for four months. Those with dependents or disabilities get an additional \$750 per month, which brings the total crisis money to \$8,000.

The program will run from May to August 2020, but you must re-apply every four weeks to receive the CESB. Meanwhile, the federal government is extending other relief like the six months interest-free moratorium on student loan repayments. Similarly, student loans for the upcoming school year will have a higher limit.

Look to invest after the pandemic

Students with ample savings can put the money to good use and supplement the CESB. The stock market has plenty of investment choices for millennials. Your earnings can be lasting, not short-lived like CESB. It will also enable you to achieve financial freedom in the future.

A dividend stock like **TELUS** ([TSX:T](#))([NYSE:TU](#)) is suited for people whose need for telecommunications and internet services around the clock. This \$29.55 billion telecom is a top wireless carrier, if not the best in Canada. TELUS carries a blue-chip status on the **TSX**, which means you can buy and hold the stock.

Telco stocks are characteristically defensive since the business is enduring and stable regardless of market conditions. TELUS will deliver robust returns to investors whether or not there is a health crisis. The demand for its services will not wane but will keep growing, especially when working from home becomes the new normal.

TELUS is offering a dividend yield of 5.02%. On the presumption you're ready to invest \$8,000 (maximum CESB equivalent), you'll be earning \$401.60 in passive income. The value will compound to \$21,307.39 in 20 years. As you buy more shares, the more your money will grow over time.

Compelling reason

The present pandemic presents a compelling reason, not only for students but for all age groups to give importance to financial planning. Often, people come out short financially due to a lack of foresight.

The time is now to improve your financial state. Saving and investing will make a big difference in one's financial health.

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