



Canadian Millennials got SLAMMED by the 2nd Financial Crisis!

Description

The COVID-19 crisis has impacted Canadians from all walks of life. Shutting down ordinary life and slowing down the economy, the pandemic has been an unprecedented challenge for all groups. However, not everybody has been impacted equally. Older Canadians have been impacted more by the direct health impacts of the pandemic, while younger Canadians have been more impacted by joblessness.

Millennials in particular have been hit hard by the financial crisis. Already contending with student debt and unaffordable housing, many millennials were put out of work due to business closures. As Nathaniel Dove pointed out in *Global News*, many millennials were looking into buying homes when COVID-19 hit. Now, many have had to put those purchases off thanks to joblessness. It's been a major setback for Canadian millennials, and it could get worse.

The second financial crisis in two decades

For millennials, the COVID-19 financial crisis is the second they've had to deal with in two decades. The Great Recession of 2008/2009 hit when many millennials were just graduating from university, delaying job hunts. The COVID-19 crisis hit when millennials were beginning to rise in their careers, putting a damper on professional advancement.

The two crises were a devastating one-two punch. Now, some say that millennials may never recover. According to Concordia Economist Moshe Lander, it can take years for people to recover the income they lost early in their careers. When you're laid off, not only do you lose income, but also potential opportunities for advancement. So far, the CERB has helped millennial Canadians with the direct income loss, at least. But that will be [coming to an end soon](#).

The CERB is running out

As of August 2020, the CERB is set to end on October 3. Benefits can be received retroactively, but most long-time applicants are about to see their benefits run out. That includes many millennials who

were laid off due to COVID-19. When they're laid off, many will be moved on to EI, which could help pay the bills. However, EI pays much less than the CERB on average, and you need to have paid into it to receive it.

One bright spot

There is one financial bright spot for millennials amid the COVID-19 pandemic.

The types of investments they favour have been doing well. According to the *Financial Post*, the stocks held on Robinhood — a millennial-dominated trading app — have been [beating hedge funds in 2020](#). In its coverage, the *Post* said that Robinhood picks have enjoyed a 16% lead over hedge funds and a 25% lead over the S&P 500.

That's not surprising. Millennials' portfolios tend to skew toward high-growth tech stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which have been beating the market this year. The list of the 100 most popular Robinhood stocks includes many such market beaters. Interestingly, SHOP itself isn't on the list, but similar foreign companies like **Amazon** and **Alibaba** are topping the charts.

SHOP's lack of representation could simply be due to the fact that Robinhood's userbase is largely American. While SHOP has seen major interest from financial professionals in the U.S., it still doesn't have a lot of recognition with U.S. retail investors. That could change. If SHOP keeps up the kinds of gains it has posted in the year, it would take just three more to become a trillion-dollar company. If that happens, people the world over will take notice. And many Canadian millennials will see their portfolio values surge.

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