



## The CRA CERB Is Ending: Here's What to Do

### Description

The Canada Emergency Response Benefit, commonly referred to as CERB, is coming to an end in roughly 50 days. This is a critical event. Millions of Canadians have rely on these emergency payments to survive the COVID-19 crisis.

What will the end of CERB mean? A few impacts are clear. Some deal with society, but others will have a direct impact on your life.

### Monitor the economic impact

The CERB program essentially provides \$500 per week for those impacted by the coronavirus pandemic, whether that's due to sickness or lost work. Due to its popularity — nearly 22 million applications were received — the program's expiration was extended multiple times.

Even though it was a lifeline for millions, the program has received its fair share of criticism.

"CERB helped cushion COVID-19's impact. But it now threatens to impede the recovery," says a [contributor](#) to the *Financial Post*. "Part of the federal government's plan to reopen the economy should be to wind the CERB down."

This argument is predicated on the belief that the cash benefits have distorted the labour market. Many are refusing to look for jobs because they're not financially incentivized to do so. By ending the program, Canada can return to normal faster.

Others are skeptical of this argument.

"Few people are going to trade the longer-term security of a job for a temporary benefit that could expire before the summer is over," says Sunil Johal, a Fellow at the Brookfield Institute. "The huge caveat here is that people must feel safe returning to work, and that may not be the case in all types of workplaces right now."

The takeaway here is that no one knows what the economic impact will be. Will GDP recover as people reenter the labour market? Or will COVID-19 fears keep people home, except this time, without critical funding to meet daily expenses?

Monitor this impact [closely](#), as it will ultimately affect markets and your personal life.

## Prepare yourself for post-CERB

Every Canadian needs to understand how they're financially at risk from the end of CERB. The first place to look isn't your portfolio, but your personal life.

How much are you saving per month? What debt payments do you have? How vulnerable are you if you lose your source of income? Do you have an emergency fund? How quickly could you lower your fixed and variable costs?

These questions matter now more than ever. Even if you're flush with income, you may be vulnerable if you're living at the edge of your means.

Now is the time to understand your risk points, and take preemptive moves if possible. At worst, you'll simply end up with more savings than you expected.

The second financial consideration should be your portfolio.

Are you heavily invested in the Canadian market? How capable are you of building your own CERB passive income stream using dividend stocks like **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#))? Can you afford to continue investing even if markets drop by half?

Preparation is always a game of questions. Even if your financial life is stable, be curious about your potential risk factors, and don't shy away from running wild scenarios to stress test your position.

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