



The \$2,000 CRA CERB Is Over: Now What?

Description

The CERB is finally coming to an end. The \$2,000 a month that the CRA dished out every month kept millions of Canadians from sinking even further in debt, just to keep a roof over their head or put food on the table. But all good things eventually come to an end. The CERB will be discontinued, and people who still haven't found jobs will be [switched over](#) to the EI or one of the other programs if they don't qualify for the EI.

The EI is stringent by design, and it's supposed to nudge people to start looking for employment more actively and stop relying on the government's support for their basic financial needs. This is something that the CERB was criticized for, and hopefully, the switch to the EI will "encourage" people to start working and contributing to society.

Given the current economic situation and a very shaky job market, the government has tweaked the EI program to be a bit more accepting and lenient. But Canadians cannot and should not rely solely on the government for financial assistance, and make a few changes in their lives as well.

Research, re-budget, and save

It's difficult to replace lost income, but it's almost impossible to do so if you look for a job that's as well paying as your last one (and comes with similar perks) or something better. This is especially true if you lost your job during an economic crisis like the current one. So, instead of waiting and hoping for the best, you should be trying for something more realistic.

You should research how you can put your skill set to use. If you can't find a similar job than the one you lost, expand your reach, and look for anything that you can do. If that fails, there are jobs that almost anyone can do (but they usually don't pay well). Still, it would be better than not earning anything at all.

Next, you have to re-budget. Forget the old ways of doing things and drop some of the affluent lifestyle habits you picked up. Learn to be a bit stingier with your money. Create a budget based on your new income. Prioritize primary expenses (housing, utilities, and food). If possible, reduce housing expenses

by moving to a smaller/cheaper place.
And no matter how little it is, try to save.

Save and invest

On their own, small savings will not help you build a nest egg, but investing might. For example, if you invest in a decent growth stock like **Toromont Industries** ([TSX:TIH](#)), you might build yourself a sizable nest egg. The company is a [Dividend Aristocrat](#) and has been increasing its payouts for three decades. Even though the yield is not too glamorous, its capital-growth prospects are.

The company has a 10-year CAGR of 18%. If it can keep up this pace for one more decade, you can convert \$100 a month into a \$31,000 nest egg. Only about two-fifths of this amount will be your invested capital. If it can keep this up for 20 years, your \$100 a month might grow up to \$192,000 at its current growth rate.

It might seem too ambitious, but even half of it may be able to sustain you through a couple of years of no or low income.

Foolish takeaway

The CERB might be over, but people who are still receiving benefits will be moved over to a different program. It might be less generous, but it would still be better than nothing. But that doesn't mean that you should take your time rejoining the workforce. You should try and find work, and, if possible, start looking into ways to create a passive income. You can redirect every extra dollar you have towards your savings.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:TIH (Toromont Industries Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
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Date

2025/08/17

Date Created

2020/09/26

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