CRB Payments Are Coming! Here’s Your First Step

Description

If you were using the Canada Emergency Response Benefit (CERB), you would be aware of what the date August 20, 2020 meant. On that date, the federal government announced that CERB payments would be coming to an end. While it at first caused a mild panic, since then Canadians have calmed down.

This in part because there are a number of new benefits being introduced. While three of them are quite specific, the Canada Recovery Benefit (CRB) is the most like CERB.

As of Sep. 27, 2020, the program benefits Canadians who do not fall under employment insurance (EI) or the other benefit programs that apply to caregivers or people who are sick. Instead, this benefit applies to those who are still unable to work because of COVID-19, though they are trying. If that’s you, you’re eligible for $500 per week, $450 after taxes, for up to 26 weeks. That’s a total of $11,700 after taxes, or about $1,800 per month.

COVID-19 is still sweeping across the world. It is not unheard of for multiple lockdowns within countries, or even just a province. So it’s best to know exactly what you’re in for should you need these benefits. More layoffs could be down the line.

Prepare now

There are two things you should do right now in case of another lockdown when it comes to your financial future. If you’re worried you might need CRB, then you should look at these numbers and do some budgeting. It’s clear that $450 is simply not enough to live on every week. You’ll likely need some more income to help cover the difference.

So that's why right now you should also look for a solid stock to bring in returns during this time. There are a few companies out there still outpacing the market. While stocks on a whole declined during the first market crash, these companies have continued upwards, as investors realized that the economic downturn really doesn't affect them. In fact, in some cases, the pandemic has made the business even stronger.

An example is **goeasy Ltd.** (TSX:GSY). While the rest of the market has been down, goeasy is up a whopping 26% in the last year. On top of that, it has a 10-year compound annual growth rate (CAGR) of 23%, and a five-year return of 389.2%! So clearly, this stock has been doing something right.

That something is its industry. The company provides loans and financial services to Canadians, even leasing out household products. You can secure a loan, and rent out furniture and appliances, getting everything your home needs. Sales for this year have already increased by 59%, with earnings per share going up by the same amount. This should continue to rise for the next few years, according to economists.

Meanwhile, goeasy continues to see strong year-over-year revenue growth of 15.7% during its last earnings report, with earnings per share jumping to 18.6% during the last two consecutive quarters. So investors should look forward to similar numbers when they're released Nov. 1, 2020.

Foolish takeaway

If you're going to create supplemental income, do some calculations. There are two ways to do this. Either look at what you can afford right now, this second, to put aside in this investment. Otherwise, consider automated payments towards the stock to keep growing your nest egg.

If you were able to put even $10,000 in this stock, one year from now that investment could be worth $12,512.50! Five years from now, given the latest numbers, it could be $39,039. That's quite the increase from one payment, and enough to help build up your rainy day fund and then some.

CATEGORY

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1. TSX:GSY (goeasy Ltd.)

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