



Will CERB Turn Into Universal Basic Income?

Description

Addressing the economic turmoil of the COVID-19 pandemic was always a losing battle, but the Canada Emergency Response Benefit (CERB) was a surprisingly popular antidote.

The program delivered \$2,000 a month to Canadians affected by the coronavirus that met certain requirements. In total, more than one-quarter of all residents received cheques.

It's now possible that CERB, initially a temporary program, will evolve into a full-blown universal basic income vehicle. That would provide permanent, regular income to all Canadians with few conditions, if any.

Will the CERB program eventually turn into universal basic income?

Support is rising

"Some are calling on the Canadian government to transition the temporary pandemic income support into a permanent basic income program, or guaranteed regular income, for everyone," [reports Chatelaine](#). "The idea of transitioning CERB into a universal basic income has already gained some support," the publication opines.

For example, one senator stated, "This is an opportunity to, at the very least, conduct an experiment." Turning CERB into UBI is now part of the Green Party's core platform.

"There's more and more pressure on the government, I would say, to extend the CERB. I think the basic income would be a logical extension of CERB, and it's a more rational plan," said Elaine Power, a researcher at Queen's University.

Universal basic income seems to be hitting its stride in public conversation. Never before has the possibility become so real. Just don't think any actions are imminent. We're much more likely to see a strengthening in the social safety net versus an outright guaranteed income scheme.

“What we’re really talking about is not ensuring everyone receives a cheque but ensuring there’s a minimum floor below which no Canadian ought to fall,” explained Liberal MP Nathaniel Erskine-Smith. “So it really is a conversation about rethinking and reinventing our social safety net.”

Create your own CERB

CERB may eventually pave the way for outright UBI, but for now, you’ll need to rely on yourself. Fortunately, it’s possible to create your own passive income stream using dividends stocks. It’s up to you to make it happen.

For example, you could invest in income-producing energy stocks like **Enbridge** and **Brookfield Renewable**, which normally offer dividend yields between 4% and 8%.

To be clear, it’ll take a lot of work to replace the \$2,000 monthly checks from CERB. If you earn 4% to 8% on your money, you’d need a nest egg between \$300,000 and \$600,000 to replicate that monthly income!

Just know that it’s okay to start small. For every \$100 you save, you can generate \$4 to \$8 in annual income. That may not sound like much until you remember this is income *for life*. It can last forever. Those hundreds eventually add up to thousands, and with every step, you get closer to financial freedom.

If you want to create your own private CERB payments significantly faster, you’ll need to invest in *growth stocks*. These [companies](#) can double, triple, or even quadruple your savings in a single year. There’s more volatility, but it can take years off your time horizon.

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