



Warren Buffett: We're in an Economic War Right Now

Description

Warren Buffett has been a stock market investor for almost eight decades — much longer than most current investors have been alive. The Harvard Business School reject-turned-billionaire-investor has been a beacon of inspiration for investors throughout his prolific career.

The Oracle of Omaha has [continued to steer his conglomerate](#), **Berkshire Hathaway**, through the pandemic. He recently shared some words of wisdom regarding the current financial circumstances and how the American government should step up to protect small businesses in the country due to their crucial role in the economy.

Buffett's declaration of an economic war

It comes as no surprise that COVID-19 devastated the economy. The millions of small businesses worldwide had the worst to deal with due to the economic shutdowns used to fight the pandemic. He has urged Congress to extend aid to small businesses as they continue to find their feet amid the crisis.

He said that the current situation is "...an economic war" while giving a telephone interview alongside **Goldman Sachs** CEO David Solomon. He expressed concerns regarding the need to extend the Paycheck Protection Program (PPP). PPP is a program initiated to help millions of small businesses to help them through this crisis.

The program expired earlier this year, despite funds still being available for use. Congress has yet to renew the program, putting more pressure on smaller businesses struggling in the current environment. Many small businesses have been forced to limit capacity, shut down temporarily, or permanently go under due to the limitations and lack of stimulus.

Canada's response to support small businesses

A similar challenge was presented to the Canadian government in light of the lockdowns. However, Canada's response has been more prolific to support small businesses. The government believes that

these small businesses are crucial to the country because they create jobs and grow economies.

While the pandemic hit small businesses in Canada quite hard, the Canada United Small Business Relief Fund has been available to support businesses across different sectors. The \$12 million funds are providing grants of up to \$5,000 as stimulus funds to support these businesses.

The federal government also responded to the pandemic by passing the COVID-19 Emergency Response Act that entails several relief measures. The government also introduced the Canada Emergency Wage Subsidy program to cover up to 65% of employee wages for qualifying eligible employers. The wage subsidy allowed businesses to rehire employees and avoid layoffs due to lack of funds.

Additionally, the government introduced a variety of stimulus programs to support individuals who lost income due to the pandemic, including the Canada Emergency Response Benefit (CERB), the Canada Recovery Benefit (CRB), and improvements to the Employment Insurance (EI) benefit.

Invest in a solid company

Canadian small businesses and individuals have been luckier than their counterparts in other countries in terms of government support. [Buffett has also imparted other valuable advice](#) that you could consider using to secure your financial goals:

“If you owned the businesses you liked prior to the virus arriving, it changed prices, but nobody’s forcing you to sell.”

The pandemic might have caused a lot of panic, but you should not lose sight of your long-term investment goals over it. If you invest in great companies like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)), you can weather the short- to medium-term challenges and enjoy long-term gains.

TD has a sturdy balance sheet and wide financial moat that allows it to endure periods of lengthy economic hardships. The bank is one of the oldest dividend-paying stocks trading on the **TSX**. It has seen two World Wars, the Spanish Flu pandemic, and several recessions without breaking its 150-year+ dividend-paying streak.

Foolish takeaway

The Toronto-Dominion Bank is trading for \$71.97 per share at writing and pays its shareholders at a juicy 4.39% dividend yield. It could be a valuable investment to align with Buffett’s long-term investing strategy.

Consider investing in the stock to secure your long-term financial future so you can retire as a wealthy investor.

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Date

2025/07/26

Date Created

2020/12/21

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