TFSA: CRB Could Reduce Your New Coronavirus Worries, But Don’t Forget to Do This Today

Description

The new coronavirus strain is wreaking havoc on the broader market. Investors’ fears about the new virus variant’s and related restrictions’ huge negative impact on the businesses triggered a big market sell-off on Monday. While the market showcased a recovery ahead of the closing bell, it still remained in the negative territory for the day. On December 21, the **S&P TSX Composite Index** settled with minor 0.2% losses.

The new coronavirus variant is also making thousands of Canadians nervous. Its negative impact on businesses puts many people at risk of losing their jobs or could potentially reduce their income. Let’s discuss how Canada Recovery Benefit (CRB) could help you swim through these tough times.

Is CRB for you?

Earlier this year, the Canadian government made efforts to support millions of Canadians by providing them financial assistance in various ways. Starting in April 2020, millions of citizens benefited from Canada’s Emergency Response Benefit (CERB). The program aimed to provide financial assistance of $2,000 per month to eligible Canadians. As of October 4, 2020, the government had received nearly 27.6 million CERB applications from about 8.9 million unique applicants. And these eligible applicants received benefits worth about $81.6 billion.

While CERB was mainly focused on helping people who lost their jobs due to COVID, Canada Revenue Agency’s (CRA) CRB primarily encourages Canadians to get back to work.

Who is eligible for CRB?

CRA planned CRB to provide $1,000 financial aid for a two-week period to employed or self-employed Canadians who cannot benefit from Employment Insurance (EI). Eligible candidates could reapply to avail CRB benefits again for up to a total of 26 weeks.

However, you're not eligible to use CRB if you didn't lose your work or if your average weekly didn't drop by 50% due to the COVID-19 crisis during the period of your application.

CRB could help you swim through tough phases if the new coronavirus variant results in more restrictions that affect your employment. Nonetheless, it's wise to start planning your investments today to make your and your loved ones' financial future secure. Here is one great way you can do it:

Focus on your TFSA

If you've ever thought about investing or saving money, I bet you're aware of the popular Tax-Free Savings Account, or TFSA. It gives you the freedom to save a part of your income for an uncertain future and allows you to grow your wealth endlessly without worrying about paying taxes on the returns.

You should let your TFSA money grow multifold by investing in some great dividend-yielding stocks.

Royal Bank of Canada (TSX:RY)(NYSE:RY) could be a great stock pick for your TFSA at the moment. The largest Canadian bank has surprisingly performed well, despite the coronavirus headwinds on its core banking operation. In the last couple of quarters, RBC has reported solid growth in its capital markets income, which has helped it report better-than-expected total net earnings.

Apart from its solid fundamentals, Royal Bank of Canada's strong 4.2% dividend yield makes it an even better TFSA investment choice for the long term. Despite new coronavirus strain worries, RBC has a strong enough balance sheet that would allow it to continue paying solid dividends.

But if you're still young and are willing to take a little risk to multiply your savings, then you should rather include some good, undervalued growth stocks in your TFSA.

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