



What You Need to Know About the CRB Extension

Description

The Canada Recovery Benefit (CRB) has been a critical part of our economic stability over the past year. This month, the government intends to offer a CRB extension by a further 12 weeks. Here's what you need to know about this extension and the best way to leverage this cash payout.

CRB extension details

The CRB program was launched as a bridge after the Canada Emergency Response Benefit (CERB) program ended in September last year. The program was meant to offer eligible recipients \$500 a week for a maximum of 38 weeks. That period is due to end on June 19.

In light of the weak economy and a third wave of cases, the Justin Trudeau government has proposed a [CRB extension](#). This extends the benefits by another 12 weeks until September 25. It also grants the Canada Revenue Agency (CRA) flexibility to extend the CRB further to November 20, depending on the economic situation.

However, the payouts have been trimmed in this latest CRB extension. Eligible applicants can now expect only \$300 a week in benefit payments from July 17, 2021. When the 20% tax deduction at source is considered, Canadians may receive only \$270 in weekly payments from the CRB program going forward.

The program has been extended but scaled back. Eventually, it may elapse completely. The reopening and economic rebound should allow millions of Canadians to regain employment. But for millions of others their jobs and businesses no longer exist. The recovery is likely to be uneven, which is why you may want to invest some of your CRB cash to protect your family over the long run.

Invest your CRB cash

Canada's extensive benefit schemes have helped millions of families survive the crisis of the past year. However, people who invested their benefit in the stock market instead of spending it all have managed to create their own extension of financial freedom.

The **TSX 60 Index** is up 27% over the past one year. High-growth tech stocks are up triple digits. A well-timed, savvy investment could eliminate the need for government benefits altogether.

In 2021, reasonably priced growth stocks like **Constellation Software** ([TSX:CSU](#)) are worth your attention. Constellation's value has more than tripled over the past five years. The growth has also been remarkably steady, with minor drawdowns along the way.

Constellation acquires niche software companies. Over the years, the company has accumulated over 300 small- and medium-sized software firms. More than half of these firms supply software services to government agencies. That makes the company's cash flows remarkably stable and predictable.

At the moment, Constellation stock is trading at \$1,768. That's a few weeks of CRB payments. If you could save and invest this amount, it could help you preserve capital for 2022, when the government considers winding down its benefit programs.

Bottom line

The government has implemented a CRB extension. However, the program has been scaled back and will eventually be shut down. Canadians need to consider investing some of their spare cash in robust stocks to cushion the blow.

CATEGORY

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2. Tech Stocks

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