



CERB: Will the Delta Variant Revive This Program?

Description

The Canada Emergency Response Benefit (CERB) was an immensely popular program that helped millions of Canadian families survive last year's crisis. The program has now been closed and replaced with a Canada Recovery Benefit (CRB) and enhanced Employment Insurance programs.

However, the Delta variant of the COVID-19 virus complicates the global economic outlook. Cases have rebounded sharply in the U.K. and United States. Medical experts expect a similar wave in Canada. The prospect of another wave has already dented consumer confidence and spending. Will that compel the government to offer a CRB extension?

Here's a closer look.

CRB extension prospects

As the name suggests, CERB was designed to deal with last year's "emergency." It's safe to assume the program won't be revived because we know how to deal with this crisis better.

That being said, the CRB and EI enhancements are temporary and are set to expire in September. These measures were meant to support the "recovery," which has now been delayed because of the Delta variant. It's also worth noting that Canadians are heading to the polls next month. A Liberal majority in this election could make a CRB extension much more likely.

What we know for sure is that consumer spending, employment, and incomes haven't fully recovered yet. Canada's vaccination drive has been impressive, but we're far from herd immunity. Meanwhile, a global slowdown drags our economy too. Ending benefits in September could be a misstep.

Protect yourself

There's no way to predict the outcome of the next election and whether the next administration will extend CRB. However, you could consider creating your own safety net before the economy or political climate changes.

The best way to do so would be to invest in a robust growth stock that's untethered to the local economy. **Topicus.com** ([TSXV:TOI](#)) is an excellent example.

There are three reasons Topicus is an excellent pick for investors seeking stable growth in the near term. Firstly, it's a niche software conglomerate, which means it earns recurring income from subscriptions on a wide pool of software tools. Secondly, it's focused on Europe. European software startups are fairly valued, and the economy is detached from Canada.

Finally, Topicus is undervalued and outperforming the rest of the stock market. The stock is up 88% ever since it went public in February this year. Over the same period, the Canadian stock market has delivered a total return of 16.4%. So, Topicus is delivering better growth.

Put another way, [\\$500 invested in Topicus](#) earlier this year would be worth \$940 today. That's nearly three weeks of benefit payments. If the investment is made in a Tax-Free Savings Account (TFSA), you even avoid the tax liability of CRB.

Bottom line

The CERB and CRB programs have helped millions of Canadians throughout this crisis. Unfortunately, it seems the crisis isn't over yet. The economic recovery is faltering. An upcoming election could give the administration more power to implement a CRB extension.

However, Canadians shouldn't wait for an uncertain future. Instead, bet on robust growth stocks that can help you create a safety net.

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