2 Ways You Can Get Paid to Watch TV

Description

There are certain jobs that most of us can only dream about.

When I was younger, I dreamt about becoming the starting right fielder for the Toronto Blue Jays. Years later, my repeated attempts to get the club to notice my meager talents have continually been ignored, but I suppose it isn't so bad. Jose Bautista is doing a pretty good job out there in my absence.

Perhaps sports isn't your thing. Say you prefer something more…sedentary in nature. Maybe you'd rather get paid to watch TV. I know I sure would. I'd be watching television anyway, so getting paid even a few bucks to do so would be icing on the cake. It would sure help the cable bill, that's for sure.

While I don't think any of us have a very good chance to secure a paying position watching TV, it's easy to earn passive income while watching the tube. All you need to do is invest in the companies that bring you the programming. Here are two ways you can get started doing just that.

Shaw Communications

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR) is western Canada's largest provider of cable and satellite TV, reaching nearly four million customers in B.C., Alberta, Saskatchewan, Manitoba, and parts of Ontario. The company also provides many of these same customers with telephone and Internet service, and owns several of the channels it broadcasts, including Global, The Food Network, History, and Showcase.

Even though Shaw is slowly being affected by many Canadians cutting the cord and going without cable, it's in the enviable spot of controlling enough of the market that it can increase prices to existing customers fast enough to stem any revenue losses. And if you add in growth in its Internet service—buoyed by a network of close to 50,000 WiFi hotspots that customers can use for free on the go—Shaw is quietly boosting revenue at a slow but steady pace each year.

Shaw pays investors a monthly dividend of 9.875 cents per share, which is good enough for a 4.4% yield. Over the past decade, Shaw has grown that dividend nicely, giving investors a raise of nearly 20% per year. Investors can't reasonably expect 20% dividend hikes annually going forward, but the company should be safe to give them a 5-8% raise, which handily beats inflation.

Corus Entertainment

Each time the business cycle turns negative, companies that depend on advertising dollars get unfairly beaten down, as investors react to the short-term difficulty. This time though, things are a little different for **Corus Entertainment Inc.** (TSX:CJR.B), since it also has to contend with news that Canada's regulators will start letting cable customers pick and choose individual channels in 2016, rather than being forced to take bundles.

Those two pieces of bad news are creating what I think is a screaming buying opportunity. Corus owns some very interesting cable channels, including Treehouse, Teletoon, YTV, CMT, The W Network, and other specialty channels. They have a particular dominance in kids programming, which is a moat I think is very interesting.

Plus, investors are getting compensated quite well for the upcoming unbundling risk. Corus trades at just over six times its projected free cash flow in 2015, which is more than 60% cheaper than a company like Shaw. Yes, you could argue that the predictable nature of Shaw's business makes it more valuable, which would then command a higher multiple. But Shaw trades at approximately 18 times its 2015 projected free cash flow. That's a huge difference.

Perhaps the best part about an investment in Corus is the succulent dividend. Corus shares currently yield 8.8%, which tells me the market is pricing in a dividend cut. But the company is on pace to pay just 40% of its free cash flow as dividends. Based on that metric, Corus's dividend sure looks to be pretty secure.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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