



CRA 2020: How to Invest Your \$500/Week CERB Payments

Description

For many Canadians, June may be the last full month where they receive CERB payments. As I'd explained in May, those who backdated their application to cover the middle of March will see the [program expire in July](#).

Some policy analysts worry that the lack of CRA support in the coming months may exacerbate financial problems for citizens in the second half of 2020.

Today I want to discuss how Canadians can turn their CERB payments into a source of long-term payments of another variety.

How CERB payments can open the door to more passive income

The Canadian government responded to the COVID-19 pandemic with radical programs like the CERB that have provided fast and easy financial relief for Canadians. However, that generosity has a time limit and recent reports suggest that officials also want to crackdown on CERB applicants.

Instead of sweating out this process, Canadians should look to [construct their own passive income stream](#).

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is one dividend stock worth your attention in June. Shares of Pembina have dropped 29% in 2020 as of close on June 11. However, the stock has stabilized since March. Shares last possessed a favourable price-to-earnings ratio of 12 and a price-to-book value of 1.2.

This is a nice value bet to pour your CERB payment into right now. Energy stocks struggled mightily in the early spring, but have bounced back as oil and gas demand is starting to rebound.

The company last announced a monthly distribution of \$0.21 per share. This represents a tasty 7.6% yield. A roughly \$2,000 investment in Pembina can net investors over \$140 in annual dividend income.

Better yet, stash the stock in your TFSA and you can duck the taxes that you are forced to pay on the CERB payments.

My favourite dividend stock to buy right now

Manulife Financial remains one of my favourite dividend stocks on the **TSX** right now. Canadians who are about to see their CERB payments expire should take a close look at this high-quality company. Shares of Manulife have dropped 16% year over year as of close on June 11.

Value-wise, Manulife is a fantastic pick up right now. The stock last possessed a very favourable P/E ratio of 8.0 and a P/B value of 0.7. Better yet, it has maintained its quarterly dividend of \$0.28 per share, which represents a strong 5.9% yield.

Utility stocks: Reliable passive income

Utilities have continued to operate as essential services in this pandemic. Their historical reliability makes them a solid target for investors who want a consistent passive income stream. Canadians who want a CERB replacement should consider **Algonquin Power & Utilities** today.

Shares of Algonquin Power have remained mostly flat in 2020 so far. However, the stock is up 17% year over year. Algonquin shares last had a favourable P/E ratio of 18 and a P/B value of 2.0.

This is nice value in comparison to its industry peers. The stock currently offers a quarterly dividend of \$0.141 per share, representing a solid 4.8% yield.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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