



Recession Warning: Earn \$324 a Year in Passive Income Today

Description

We are going to need passive income in the coming years. A deep recession is in the works, and rates are expected to stay low for a long time. Investors need to start looking for investments that can pay out significant income over an extended period of time. As much as we love CERB at the moment, the program is not going to last forever. We will need to find income from other sources, including our investments.

The problem with investing in this market is that you are reasonably sure that this rally is not sustainable. How can prices continue to shoot up day after day on a backdrop that is continuously looking worse? In this article, I want to give at least an income-generating option for you to put your money to work today where there is still some value.

Invest in the long run

You want to make sure that, first and foremost, you are buying excellent businesses. An excellent business is one that has a solid outlook no matter the economic backdrop. Recession-proof businesses are in high demand at the moment, so you are going to be paying a premium to own them. As a long-term investor, though, this will not be a problem for you.

One stock worth looking at these levels is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). This company has been painted with the oil field brush for several years now. It is unfairly lumped in with pure plays in the oil and gas space.

Enbridge has a lot more to offer than other pipeline utilities. It has a unique combination of businesses that allow it to profit from its legacy pipeline business as well as make inroads into other areas.

Enbridge has a very developed regulated utility business that provides cash flows that stabilize its dividend payments. Its utilities cover a lot of ground, operating in both the United States and Canada. It is also developing its renewable energy businesses, which are located in Canada and in Europe. These investments have caused Enbridge to be named an ESG (environmental, social, and corporate governance) company — a category you don't see from many energy investments.

Dividends galore

Rejoice, investors, because [Enbridge is falling](#) again! Yes, this core holding's share price is falling back once more. It will likely break \$40 soon if stock price weakness starts to gather momentum.

Right now, that means the energy giant is paying a dividend of just under 8%. Soon that may be higher, both due to price pressure and growing yield. Enbridge is [growing its dividend](#) at about 5% a year. While that is less than its current growth rate of more than 10% a year, it is still a substantial boost while you hold the stock for years.

The bottom line

Watching the markets shoot up in a time of uncertainty can be nerve-wracking. If you focus on high-quality dividend growers that are trading at a reasonable price, though, you don't have to worry as much about short-term volatility.

Own a stock like Enbridge for the long run and relax while you collect your dividends. Invest your \$4,100 today and earn \$324 this year and more in the future!

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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Author

krisknutson

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