Get Your Own CERB for Future Emergencies

Description

The CRA is providing CERB, an emergency benefit of $2,000 per month, to Canadians in need. This goes to show that the COVID-19 pandemic has far and wide impacts. Yet there have been previous economic downturns, and the pandemic will certainly not be the last.

Will the government be there to help Canadians every time? Will it be able to give sufficient aid to all in need?

Rather than relying on outside power, perhaps Canadians can consider getting their own CERB for future emergencies. That is, if you can accrue some savings, you can start building your own emergency benefit or passive income immediately.

Here are a few solid dividend stocks to get your passive income started.

Get passive income now

Fortis (TSX:FTS) is a well-trusted dividend stock. It's known for its stable business and safe dividends. As a result, its stock also has a very low beta, which makes it easier to hold the stock. Additionally, the dividend stock has a long-term upward trend.

Its earnings are stable because it earns very predictable returns from regulated gas and electric utilities. Fortis stock has a dividend growth streak of 46 years, making it a top **TSX** dividend-growth stock.

Its 10-year dividend growth rate is about 6%. Incredibly, over the next few years, Fortis estimates a similar growth rate for its dividend. At $51.40 per share, Fortis stock offers a 3.7%, which makes it reasonable to start a position.

Whenever the stock yields 4% or greater, consider buying the safe dividend stock more aggressively.

Enbridge (TSX:ENB)(NYSE:ENB) stock is another Canadian Dividend Aristocrat that's a good buy now. Its yield is even more impressive at 7.8%.

ENB stock has a big yield now, as the stock sold off because it's not entirely immune to COVID-19 impacts due to economic contraction and energy demand decline.

The company has increased its dividend for 24 consecutive years at about 15% per year. Going forward, investors should expect a much more conservative dividend growth rate for a long-term growth rate of about 5%.

At current levels, though, the stock can still deliver nice long-term returns thanks to its outsized dividend and attractive valuation.

Big Canadian banks are some of the soundest banks on the planet. **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is one of the Big Five Canadians banks.

At about $56 per share, it offers a compelling yield of 6.4%. You can't get this kind of yield when the economy is fine. In other words, if you're looking for juicy passive income, now is the time to buy bank shares to hold for the long haul. The dividend stock is discounted by about 30% from its normalized levels.

Scotiabank's meaningful exposure (about 23% of earnings) to Pacific Alliance countries should give it greater growth potential down the road.

The Foolish takeaway

Across the three blue-chip dividend stocks, investors can get an average yield of almost 6% — a very good start for your personal CERB.

With persistence and careful management, Canadians can build a dividend portfolio that generates a passive income stream exceeding CERB's $2,000 per month.

Are you up for the challenge?

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