



## Build a Longer-Lasting \$2,000/Month Than CERB Using \$250,000

### Description

In a monumental response to the COVID-19 crisis, the Canadian government announced the start of the Canada Emergency Relief Benefit (CERB) program.

According to the program, any Canadian who lost their job could apply for CERB and receive cheques of \$500 per week for up to 16 weeks. Since the pandemic is nowhere near being eliminated, and millions continue to be jobless, the government extended the program a further eight weeks.

Based on the updated timeline for CERB, [eligible Canadians](#) can receive up to \$2,000 per month for a period spanning 24 weeks. The program has been a fantastic way to help Canadians leave their savings untouched. However, returning to normalcy can take a while, and there is no telling if the government will extend CERB again.

I am going to suggest creating your own passive-income stream using your savings to have a better monthly income than the CERB.

### Searching for high yields

You might have your savings parked in one of those high-interest savings accounts. While it provides you with a safe space to store your cash and help it gradually grow, it cannot provide enough returns to earn you passive monthly income. I would suggest investing the capital in securities that offer you returns high enough to sustain your monthly expenses.

The \$2,000-per-month CERB presents us with an ideal figure to aim for. Let's say you have \$250,000 in savings. You would need a yield of almost 10% to achieve a monthly income of \$2,000 from a principal amount of \$250,000.

Of course, it doesn't mean you should just look for securities with high dividend yields. It would be best if you looked for assets that offer you excellent returns without significantly putting your capital at risk. Typically, dividend yields north of 6% could be considered unsustainable for the underlying company. However, the market correction in March 2020 opened up plenty of opportunities for you to pay less

and get more yield from high-quality companies.

## A high-quality company with a high yield

Carefully picking the right asset is the critical choice here. You need to look for businesses that retain positive cash flow that sustain high dividend yields, despite the economic circumstances. Not many companies that pay dividends showed resilience in the face of the global health crisis. Still, there are a rare few companies, and you can find them if you do your homework.

To this end, I think one of the ideal securities to invest in to achieve the target dividend yield is **Inovalis Real Estate Investment Trust** ([TSX:INO.UN](#)). A monthly dividend payer, Inovalis's 10.58% dividend yield could seem like a scary choice to consider for investors who do not want to take any risks with their capital. It may seem like a reckless investment to consider.

The dividend yield is indeed high, but it is by design. While most REITs with double-digit dividend yields are distressed due to the fallen share prices, Inovalis offers a more secure payout. The European-focused REIT owns properties within urban parts of Germany and France, with most of the contracts being long term.

The company's management stated that it was receiving a nearly normal rent collection in the second quarter of fiscal 2020. Its properties remain 92.2% occupied, and it has still managed to keep the payout ratio to a sustainable 33.4%.

## Foolish takeaway

The goal is to achieve a dividend income portfolio with a 10% yield. Given the [current economic environment](#), it is possible to find high-yield dividend stocks. However, it is crucial to do your homework carefully before making your picks. Inovalis could be an ideal addition to your portfolio, but I would suggest building a diversified portfolio of dividend stocks to add more security for your capital.

Once you achieve a \$250,000 dividend portfolio with a high dividend yield, you can look at a sustainable \$2,000-per-month income that lasts longer than CERB.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:INO.UN (Inovalis Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Sharewise

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/08/25

**Date Created**

2020/07/22

**Author**

adamothonman

default watermark

default watermark