



How to Get \$500 CERB-Like Payments Forever

Description

The Canada Emergency Response Benefit, or CERB, has proven immensely popular. According to the [government](#), 20.9 million applications have been received, with 2,000 coming in the last week alone. Nearly \$60 billion has already been paid out.

The program gives applicants roughly \$500 per week in cash payments, no strings attached. It's essentially free money, but it's much needed. Millions of Canadians are out of work. Many others are struggling to meet day-to-day expenses due to the turmoil caused by COVID-19.

But relief programs like this are always temporary. Government officials have looked into making CERB [permanent](#), but the current prognosis doesn't look promising.

Many Canadians would prefer to continue receiving CERB's \$500 per week, but it'll be up to *them* to make that happen. It's certainly an achievable goal for many. All you need is patience, good habits, and the right stocks.

Why patience pays

Let's get the easy math out of the way first. \$500 every week equates to \$26,000 per year. If you earn a 10% return on your investments, you'd need a nest egg of \$260,000 to generate \$26,000 in annual income.

To most, \$260,000 seems out of reach. It is certainly a difficult figure to reach for many. But the important thing is to break the sum down into smaller contributions. That way, you can take advantage of the most powerful force in finance: compound interest.

If you invest \$50 per week and earn 10% annually, you'll accrue roughly \$2,800 after one year. That's a far cry from the \$260,000 you'll need to simulate your own CERB payments.

But patience pays. After a decade, you'll have \$50,000. After two decades, you'll reach \$180,000. In total, you'll only need 23 years to reach \$260,000 by saving \$50 per week.

With compound interest, your money grows *faster* the longer it's saved. But upping your contribution amount is just as helpful. If you up your contribution to \$500 every week, you'll hit \$260,000 in just six years. Of course, that's an out-of-reach weekly contribution for most, but the important thing is to find what works best for you.

Automate your habits

Weekly contributions only matter if you *stick* to them. The best way to do that is to automate your deposits. Most investment accounts allow for this.

For example, you can have your investment account automatically withdraw \$50 every week from your banking account. That way, you never miss a payment. You simply need to sit back and wait for your private CERB account to grow.

Of course, you'll need to find stocks to buy with this cash, but determining your weekly contribution and getting it in motion via automated contributions are your first tasks.

The best CERB-like stocks

If you'll be compounding your capital over long stretches of time, find businesses with durable competitive advantages that will persist for decades. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a prime example.

Enbridge is the largest pipeline operator in North America. That gives it intense pricing power. If fossil fuel companies want to ship their output, they often *need* to go through Enbridge. Sometimes, there's no other alternative.

The key here is to diversify in a broad range of high-quality businesses that can compound wealth for as long as your passive-income stream takes to grow.

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