



Out Earn the \$2,000 CERB by Investing \$350,000 in This 7.74% Dividend Stock

Description

The Canadian government's [COVID-19 Response Plan](#) included several measures to curb the spread of the novel coronavirus in the country and help citizens during these unprecedented times.

Due to the necessary social distancing and lockdown measures, millions of Canadians were left without jobs. The government began the Canada Emergency Response Benefit (CERB) program that would see the Canada Revenue Agency (CRA) distribute up to \$2,000 per month to eligible applicants for up to 16 weeks in weekly \$500 payments.

When the CERB program was about to expire for Canadians who started receiving the funds from the launch, the government announced an extension. The pandemic is still prevalent. Despite economies slowly opening up, many remain unemployed. The government extended the CERB for another eight weeks to help Canadians until they can find an income source.

While the extension was good news, what happens when the extended period ends? Relying on the CERB with the CRA taking stringent measures to ensure you qualify for the fund does not seem ideal. What if you can create your own passive income stream that can outlast the CERB?

Creating a CERB yourself

Earning \$2,000 per month in passive income is possible if you have an investment capital of \$350,000 and discipline. Yes, the prerequisite of accumulating that account is a significant issue, and that is where patience comes in. If you have \$350,000 in savings, you can use the amount to invest in a reliable dividend-paying stock to earn through its payouts.

A reserve like this could be useful if you invest it in the shares of a company like **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge has one of the most extensive networks for oil and gas pipelines in North America.

When the pandemic struck, most sectors of the economy took a big hit but have since recovered. However, the energy sector is still reeling from the one-two punch of the oil price wars and the pandemic.

Enbridge is an energy sector operator that does not produce oil and does not rely on volatile oil prices for its revenue. Instead, the company earns through transporting oil and gas for other companies, with contracts based on the volume it transports. The result is relative insulation for the company amid volatile crude oil prices.

Enbridge can be an ideal candidate for creating a CERB of your own due to its reputable history. It is a Canadian Dividend Aristocrat with a 25-year streak of growing its dividend payouts to shareholders. When it comes to payday, Enbridge always delivers.

At the current price, its dividend yield is a massive 7.74%. It means that a \$350,000 investment in the Enbridge stock can help you lock in the dividend yield to earn \$27,090 per year. It translates to more than \$2,200 per month.

Foolish takeaway

Enbridge's current share prices are down due to the panic-fueled sell-off frenzy that it needlessly fell victim to. It is a low-risk business with contracted cash flows and is undergoing a sequential improvement in mainline volumes to boost its income further. It means the stock can continue to finance consistently increasing dividend payouts.

If you don't have the capital to invest this amount immediately, Enbridge can be an excellent stock to help you grow your wealth. Invest a smaller amount in the stock and hold it in your [Tax-Free Savings Account](#) (TFSA).

If you keep reinvesting your dividends, you can unlock the power of compounding to reach your required capital even faster. All it takes is discipline and time – the money will follow.

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2. Energy Stocks
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Author

adamothonman

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