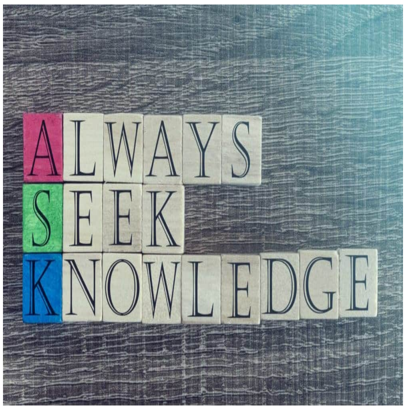

The $2,000 CRA CERB and Dividend Stocks Have This in Common

Description

The Canada Emergency Response Benefit (CERB) will leave a legacy to Canadians after the program ceases to exist in September 2020. CERB is the pillar of the country's COVID-19 Response Plan. The total disbursement of the Canada Revenue Agency (CRA) is likely to reach $80 billion.

CERB is a taxable benefit for workers, employees, and self-employed individuals displaced by the coronavirus outbreak. Millions of Canadians would wallow in financial misery without a lifeline. In a way, you see the common element between CERB and dividend stocks. Both provide the much-needed income in times of crisis.

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Financial sustenance

An eligible CERB claimant can receive a total of $12,000 for up to 24 weeks, or $2,000 monthly for six months. The CRA money is substantial to pay for essentials and other emergency expenses while you're out of work or looking for employment. More importantly, it lightens your financial burden while navigating the crisis.

Dividend stocks are excellent assets to own. If the company you invest in is well established and has a good history of dividend payments, you can earn CERB-like income. However, you gain a greater advantage, because the pay is lasting, not fleeting. Also, you dictate how long you want to receive financial sustenance.

Receiving $2,000 monthly, or the CERB equivalent per month, is possible. However, the federal government will not provide the money you'll need to make it happen. You have to take care of producing the capital to buy dividend stocks. Save as much or whenever possible. The sacrifice might hurt, but it's all worth it in the end.

CERB for eternity

Let's cut to the chase and go straight to our subject matter. **Enbridge** (TSX:ENB)(NYSE:ENB) is a nobrainer choice if you long for an eternal CERB. Diversification is a recommended strategy when stock investing to mitigate the risks. However, as a single stock investment, this top-notch energy can hold its own against market turbulence.

Enbridge is the pipeline giant that transports 20% of natural gas the U.S. consumes, and 25% of crude oil produced in North America. Investors avoid the oil sector because of heightened volatility. Income investors in the know, however, will not bypass Enbridge. It’s not an oil producer but an $86.82 billion energy infrastructure company.

The business model is linked to commodity volume, not commodity prices. Likewise, cash flow is growing, and the balance sheet is in great shape because 95% of its capacity is contracted. The strength of its contract profile was one of the reasons COVID-19 made little impact on the business in Q2 2020. During the quarter, adjusted EBITDA even grew by 3.2% to $3.3 billion versus Q2 2019.

Earn your first million

It will take financial discipline and sacrifice to come up with $2,000 monthly for life. As of this writing, Enbridge is trading at $42.87 per share and paying a 7.56% dividend. You would need $317,500 to produce a monthly passive income of $2,000.25. If you hold the stock for 16 years, you will have a little over $1 million.

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