



Your CERB Will Stop, But You Can Continue Getting \$2,000 Every Month Right Here

Description

The Canada Revenue Agency (CRA) launched a [\\$2,000 emergency cash benefit](#) for Canadians who were out of work because of COVID-19. Now that the Canada Emergency Response Benefit (CERB) has served its purpose, the CRA will end it in September. If you have been relying on the CERB for your living expenses, you better speed up your job search.

The CRA will restart Employee Insurance (EI) as an alternative to the CERB, but you may not be eligible if you are not in the insurable employment. Rather than relying on the \$2,000 CERB from the CRA, you can create a personal benefit pool, and continue getting \$2,000 every month from here.

A two-step guide to your personal \$2,000 CERB

Having a personal CERB can take away a major financial burden off your head. It can help you meet your necessities, whether or not you have a working income. Now, there is a two-step approach to earn \$2,000 every month in passive income.

- First, you have to build a benefit pool of at least \$250,000.
- Second, you need to invest your benefit pool in a good dividend stock that has a history of paying regular dividends.

A good way to build your benefit pool is through the Tax-Free Savings Account (TFSA). You can invest \$5,000-\$6,000 of your after-tax income every year in the TFSA, depending on the annual contribution limit set by the CRA. Any investment in the TFSA will grow tax-free, and when you withdraw that income, it will be exempt from your taxable income.

Build your benefit pool

To build a benefit pool you can look for growth stocks. Technology stocks are good growth stocks as they are rebuilding the future of how you live and work. The **iShares S&P/TSX Capped Information Technology Index ETF**

([TSX:XIT](#)) has exposure to some of the best tech stocks trading on the Toronto Stock Exchange.

If you had invested \$500 every month in this ETF since July 2010, you would have had \$174,000 in your TFSA. Even if you start now, the ETF can grow your benefit pool at an average annual rate of 12%-15%. In 15 years, you will have a benefit pool of \$312,000 in your TFSA.

Start collecting \$2,000 CERB from your benefit pool

Whenever you need your benefit pool to give you a regular income, you just have to shift this money into a good dividend stock that generates an average dividend yield of 7%-8%.

Canada's second-largest retail REIT **RioCan** ([TSX:REI.UN](#)) is a good example. It has a 20-year history of paying regular dividends. The REIT has 221 properties, including retail, office, and residential, and 15 development properties. The company's 74.5% of rent comes from retailers.

The pandemic has hampered its rent collection and reduced the fair value of its property, reducing RioCan's stock price by 40% year to date. However, the REIT has maintained its dividend per share, which is why its dividend yield increased to 9.2%.

If you have been investing in your TFSA for the last 10 years and have a balance of \$270,000, RioCan can give you \$2,000 every month for the next 10 years and further.

Investor centre

If you haven't yet started investing, start now. Other than the XIT ETF, look out for high growth stocks like **Facedrive** and **Lightspeed POS**, which are [growing double and triple](#) in less than a year. They can help you grow your benefit pool faster.

Your \$2,000 monthly income from your benefit pool will increase as and when the company raises dividend per share. If you continue to invest and grow your benefits pool, you can earn up to \$3,000 in monthly dividends.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)
2. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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