



CRA Wealth: How to Build Your Own \$2,000/Month CERB

Description

The Canadian government launched the Canada Emergency Response Benefit (CERB) program to help its citizens who lost income due to the mandatory social distancing measures and lockdowns. Millions lost their jobs amid the pandemic, and the government launched CERB as part of its [COVID-19 response plan](#) to help the most vulnerable citizens stay afloat during these times.

The government extended CERB as the 16-week expiry date came close and made the CERB a 24-week benefit. However, there will come a time when the CERB will end at some point, and the government can't keep extending it. While there are more jobs available with the gradually reopening economy, you may not have access to CERB in the long run.

Creating your own CERB alternative could be the best option. It is possible to generate passive income that can earn you more than \$2,000 per month, and the replacement will be better than the CERB because it will not come with an expiry date.

Creating your own CERB

If you want to generate passive income, consider digging into your savings and using it as investment capital. To generate more than \$2,000 per month, you will need to invest in a portfolio of dividend-paying stocks that can offer you a yield of around 6% and a capital of \$400,000.

Apart from the capital and dividend stock portfolio, you need to practice discipline to remain invested in the long run to generate the income you need.

Ideally, you should target reliable companies with proven track records of paying shareholders their dividends. One of the best names you can consider to this end is the **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). Scotiabank is one of the oldest financial institutions in the country, and it has a remarkable dividend-paying streak that stretches just 10 years' shy of 200 years!

Scotiabank is the third-largest bank in Canada and has been paying its shareholders dividends despite multiple recessions, two world wars, and global health crises in the past. At writing, the stock is trading

for \$57.84 per share with a juicy 6.22% dividend yield.

Investing \$400,000 in BNS would mean the stock would deposit \$24,800 in your account each year. The amount translates to \$2,066 per month in dividends.

The current dividend yield for BNS is inflated due to the market correction caused by the pandemic. Despite the challenging financial environment, the bank has enough capital to weather the storm and continue paying its shareholders their dividends – proven by its 190-year streak.

Foolish takeaway

It is no secret that earning passive income is fantastic. While the CERB will not last long, a portfolio of dividend-paying stocks with reliable payouts can help you generate the passive income you need to achieve financial security. Creating a portfolio like this will take some time and substantial capital.

You can invest in a portfolio of stocks like BNS and use the power of compounding to substantially [grow your wealth](#) until you can get the necessary capital to begin receiving the dividends as passive income.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
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