



Worried the CRA CERB Payment Will End? Look Here for \$2,000 Every Month

Description

There is growing tension in the economy, as the government subsidies begin to ease. This is the last month for the Canada Revenue Agency's (CRA) \$2,000 Canada Emergency Response Benefit (CERB) payment. Are you worried about what will happen after the CERB ends?

The CERB payment is ending: What next?

Like you, many investors are worried about the same. In the second quarter, the CERB increased household disposable income by 10.8% and the savings rate to 28% from 7.6% in the previous quarter, according to [Statistics Canada](#). The government is bringing a CERB alternative of \$1,600 a month. You can claim this amount, even when you are working.

However, it's not a healthy habit to depend on government benefits for your daily expenses, as they are temporary and will add to your tax bill. A better option is to build your own benefits pool that could pay you \$2,000 every month.

Look here for \$2,000 every month

There are two ways you can earn \$2,000 every month in passive income from your Tax-Free Savings Account (TFSA), whether or not there is an emergency.

1. Invest some money in fundamentally strong value stocks.
2. Invest some cash in growth stocks that will grow as the economy recovers.

A \$2,000 monthly payment

The pandemic has created a once-in-a-lifetime opportunity to lock in high dividend yields for a lifetime. Dividend stocks are generally traditional companies like energy, banking, real estate, and utilities that generate stable cash flows. The pandemic impacted all these companies' cash flows, thereby

impacting their stock prices and inflating dividend yields.

If you have over \$200,000 in your TFSA through your contributions and investment earnings, put that money in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The Canadian pipeline operator currently has a 7.62% dividend yield, as its stock fell 20% this year due to reduced demand for oil. It earns 95% of its cash from transmitting oil and natural gas through its pipelines.

Enbridge has increased its liquidity position to \$13.1 billion to fund its future projects and make dividend payments. It will pay you around \$1,300 per month in dividends on your \$200,000 investment. This dividend amount will grow every year, as the company has a history of increasing its dividend per share at an average annual rate of 14% in the last 10 years. Even if it grows dividends at 5-8%, your dividend income will grow to \$2,000 by 2026.

As the economy recovers and oil demand rises, its stock price will return to the pre-pandemic level, representing a 23% upside. This means, your \$200,000 will grow to \$240,000 when the stock price recovers.

A lump-sum payment

Now that you have put your lump sum money on the job, you can work on your startup by investing your \$2,000 CERB in a growth stock like **Lightspeed** ([TSX:LSPD](#)). I am not saying you should put all your CERB money in the stock. If you have set aside \$400 from all your CERB payments, you will now have \$2,000 to invest.

This is a stock that has tripled since the March sell-off. It is a [perfect turnaround story](#) of the pandemic, and it has the potential to grow further. Lightspeed provides point-of-sales solutions and omnichannel solutions that help retailers and restaurants manage multiple locations on one platform. Its business model was more focused on brick-and-mortar stores, which were disrupted during the pandemic-driven lockdown. It saw a huge churn rate in subscriptions and a significant surge in e-commerce volumes.

Lightspeed acted on the changing trends and enhanced its e-commerce solutions. It introduced shipping, curbside pick-up, order management, and appointment booking. These features cater to the new demand of social distancing and an online presence.

Lightspeed's revenue is growing at a rate of 50%, while its stock is trading at 22 times its sales per share. This is the valuation it had at the end of last year. The stock has resumed to normal pre-pandemic growth. If the stock maintains its 22 times price-to-sales ratio and 50% revenue-growth rate, the stock can double in two years.

Investor corner

Enbridge and Lightspeed can accelerate your investment earnings and help you earn a \$2,000 passive income per month for a lifetime.

CATEGORY

1. Coronavirus
2. Dividend Stocks

3. Energy Stocks
4. Investing
5. Tech Stocks

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Author

pujatayal

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