CRA CERB Is Temporary: This Income Can Pay You $2,000 for Decades!

Description

The CERB is coming to an end soon. Even if it's extended till the end of the year, it's highly doubtful that it will enter 2021. Canadians who still haven't found a job will be converted to EI, giving them more "incentive" to start looking for a job more aggressively. For people who don't qualify for EI, the government has announced three more programs.

When it lasted, CERB helped millions of Canadian households weather a very hard time. But no matter how benevolent, it was a temporary reprieve that Canadians must learn to live without. Better yet, people should look into creating an income that could last for decades. One of the most reliable and time-tested ways to do that is investing in dividend stocks.

A dividend income (if you've invested in the right accounts) could easily last for decades. But for millions of Canadians, it might be hard to replace $2,000 a month income through dividends alone, because that would require investing a lot of capital (A few hundred thousand). But $2,000 a year is certainly doable, with a few generously yielding stocks.

A REIT

Inovalis REIT (TSX:INO.UN) is one of the REITs that are still trading at a steep discount. Despite its compelling track record and foreign portfolio, the stock hasn't managed to recover fully and is currently trading at a price that's 26% down from its pre-pandemic high. You can buy it at a discounted price, along with a complimentary gift of a great yield. With its yield of about 10%, it can convert your $10,000 investment into $1,000 a year in dividends.

One reason for choosing Inovalis instead of other, generously yielding real estate stocks, is its payout ratio. Despite the pandemic, its effect on the earnings, and a double-digit yield, the company has a payout ratio of 40.7%. The monthly dividends seem safe, and even if the stock doesn't have a strong growth history, it's still better than many other REITs that are currently offering a similar yield.

A financial company

Financial is another sector full of discounted stocks with mouth-watering yields, though it's debatable how many of those yields are sustainable. One company offering a very generous yield, and its dividends seem safe enough, is **Firm Capital Mortgage Investment** (TSX:FC). It's a boutique mortgage lender that offers commercial and residential mortgage loans to conventional and unconventional borrowers.

The company has maintained its $0.078 per share dividends since 2016 (at least), and it's currently offering a juicy yield of 8.25%. It's enough to earn you a bit over $1,000 a year if you invest $12,500. Like Inovalis, the company has a history of very slow but steady growth. The payout ratio of 101% might seem a bit risky, but it's almost in-line with the company's five-year history, where it never once slashed its dividends.

Foolish takeaway

A sum of $22,500 can earn you over $2,000 a year in dividends easily. That's less than one-third of a fully stocked TFSA, and it can last for decades. Both companies are relatively stable and steady growers. They might even increase their dividends in the future. Plus, both companies offer dividends monthly, so you will be getting a small sum each month to apply towards a little, recurring expense.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FC (Firm Capital Mortgage Investment Corporation)
2. TSX:INO.UN (Inovalis Real Estate Investment Trust)

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