



## Almost 50% of Canadians Are Totally Broke

### Description

The latest MNP Consumer Debt Index reveals that 49% of Canadians believe they are nearing the [edge of insolvency](#). The situation is getting worse with consumer debt rising to a level not seen before.

The 10-point jump from the December 2019 level is alarming. About 50% of the survey respondents also said they are \$200 or less away from skipping monthly bill payments. Nearly 25% say they won't meet outstanding debt obligations. If the crisis lingers, the unemployment rate will remain high, leading to lower household incomes.

### Low delinquency for now

At present, delinquency rates are still low; millions of people can lose income overnight when the impact of the COVID-19 pandemic kicks in fully. Canadians who are living paycheck to paycheck will have little room to maneuver, causing significant disruption in income.

Canadian families are vulnerable, because the chances of income interruption are high. MNP president Grant Bazian expects the effect to go up in the next few months. Meanwhile, people can still [prevent bankruptcy](#) by taking precautionary measures.

### Debt containment

There are no quick-fix solutions except debt containment. As much as possible, curtail credit card use that charges high interest. If you have means, pay the most expensive loan. Sometimes, debt consolidation is an alternative if you can obtain a much lower rate than your outstanding debts.

If there are federal aid programs available, apply where you're eligible, so you won't have to borrow. Cut back on useless spending to free up more cash. The road ahead is scary, so the primary goal should be maintaining liquidity during the long-drawn recession.

Another method to produce cash is do-it-yourself investing. You can invest whatever savings you can

spare in income-producing assets like dividend stocks. Select those that align with your risk appetite and suit your financial goals.

## Hands-down pick

The telecommunications sector is the place to park your money in the COVID-19 environment. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the country's largest telco, is the hands-down choice. The \$51.49 billion company is in expansion mode, as it rolls out Bell's Wireless Home Internet (WHI) in rural Canada.

High-speed internet access is a critical need for Canadians regardless of location. BCE is dedicating its resources to enhance network infrastructure. According to Mirko Bibic, president and CEO of BCE, the goal is to bring full broadband internet access to traditionally underserved areas and regions previously unserved by any carrier.

BCE is looking to cover 50% of its target footprint by year-end 2020. About 80,000 rural homes will add to the existing 350,000 homes that have immediate access to the internet. The ultimate objective is to be the game changer in more suburban and rural regions.

For prospective investors, BCE is offering a 5.89% dividend. A \$20,000 position in this blue-chip asset will produce \$1,178 in passive income. Your money will grow to \$62,824.49 in 20 years. Buy additional shares later on to increase your household income even more.

## Break the chain

Prepare to get rid of and not be chained by debts. It doesn't matter if it's bit by bit. Every attempt to bring down debt pulls you away from insolvency. Likewise, you inch closer to financial freedom.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

### PARTNER-FEEDS

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