



The CRA CERB Is Finished, But Here's 1 Way to Earn \$2,200/ Month!

Description

The Canadian Emergency Response Benefit (CERB) is unfortunately winding down this month. Canadian's have enjoyed the benefit of \$2,000/month since the onset of the COVID-19. Luckily, the Canadian government will not leave its citizens hanging.

The CERB will merge with EI

For those that remain unemployed or unable to work, the Canada Revenue Agency (CRA) will now distribute income benefits through Employment Insurance (EI). It will require new legislation to pass; however, if passed, it will be applied retroactively to September 27, 2020.

You will need a minimum 120 insured hours to qualify for the benefit. Generally, most Canadians should receive, pre-tax, \$500 per week, depending on conditions relating to prior employment and where you live, etc. To qualify for EI, you will need to submit a record of employment for each job held in the 52-week period prior to the beginning of CERB. There are also a variety of other options for those who are self-employed or who are a caregivers, so be sure to check out [CRA's website](#).

Get proactive for the future

The point is, a crisis like this is an eye opener for many Canadians. If you are looking to avoid relying on government relief in the future, you may want to consider building a CERB-like safety net through investing. While short-term investing can be risky, people who prudently invest a portion of their income every month over years (I'm talking five, 10, 20 or more) can actually build their own CERB income stream.

For example, start with a principal investment of \$25,000. Build a portfolio of income stocks that could earn you an average 5% dividend returns and, say, only 2% in capital gains. That's a combined 7% annual projected return — a reasonable rate of return with not too much risk.

Then commit to invest \$300 of your monthly income into the portfolio and only reinvest the dividend

returns. In as little as 30 years, your investment could be worth \$530,000! If that sum only yielded 5% overall, you would earn \$26,500 a year or approximately \$2,200 a month in dividend income!

A foundation to building your own CERB

If you start now, it is possible to watch the power of compounding returns build [long-term, sustainable income and wealth](#). You truly can build your own CERB income portfolio! If I was looking for TSX stocks that would help build such a portfolio, **Telus** ([TSX:T](#))([NYSE:TU](#)) would be a good starter.

It is one of Canada's largest telecom businesses. The essential nature of the telecommunications sector makes it a very steady, stable cash flow producer. Despite challenges presented by COVID-19, Telus still saw an industry-leading customer growth rate of 141,000 net additions. Although EBITDA declined 2.9% year over year, cash flow grew by more than 57% to \$511 million.

Telus has been investing heavily in its fibre networks across Canada, and it is starting to pay off. It is consistently rated as one of the fastest data and internet service providers in Canada. Telus also has a couple of potential spin-off businesses (Telus Health and International) that are each producing between \$500 million and \$1 billion of revenue a year. I don't think the stock adequately reflects the growth in these digital segments, so there is certainly some upside to be unlocked.

Investor takeaway

Telus aims to grow its dividend by 7-10% a year to the end of 2022. Consequently, with Telus, I think investors have a good chance of meeting or exceeding that projected 7% annual rate of return. Overall, Telus has a strong history of free cash flow growth, dividend growth, and prudent business management. This makes it a great stock to put as a foundation for your CERB-replacement portfolio!

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Tags

1. Editor's Choice

Date

2025/09/10

Date Created

2020/09/30

Author

robbybrown

default watermark

default watermark