CERB Alternative: How to Generate Your Own Income

Description

CERB was a lifeline for millions of Canadians. The $500 weekly cheques eventually made their way to more than 25% of the country's residents. The program was widely popular, with some advocating to make the payments *permanent*.

Unfortunately, the official program ended on October 3, eliminating direct cash payments that kept many Canadians afloat during the COVID-19 pandemic. In response, the government has readied new financial assistance.

Get this CERB alternative

The official CERB program is already a thing of the past, but most recipients will still qualify for another benefit.

"About two million people currently receiving CERB will be eligible for Employment Insurance (EI)," explains *Daily Bread*. "Some important changes have been made to EI to make it better meet people's financial needs, including reducing the number of employment hours needed to qualify and increasing the minimum weekly payment to $500."

To be sure, EI will be more difficult to qualify for. You need to provide employment records and submit documentation every two weeks to maintain compliance. Plus, the benefits may take longer to process, with additional taxes reducing the total sum.

These requirements will kick nearly 500,000 former CERB recipients off the books. But there may be *another* lifeline on the way.

"The federal government has introduced legislation that aims to provide continuing support for out-of-work Canadians who have been hit hard by the COVID-19 crisis but who do not qualify for the enhanced Employment Insurance (EI)," reports *HRD*.

These measures would include support for self-employed workers, those on sick leave, and full-time caregivers. Just don't get your hopes up. These measures are just proposals, and it's unclear how things will ultimately shake out.

Long-term, relying on CERB or similar supports won't be an option for most. You'll need to rely on yourself.

How to rely on yourself

Good news: you can create your own CERB payments. This is harder to do, but the result is *permanent* income.

Many investors create a passive income stream using dividend stocks like **Enbridge** (TSX:ENB)(NYSE:ENB) or **Brookfield Renewable**. These businesses generate reliable cash flows that support annual yields between 4% and 8%. The more you invest, the more you earn.

For example, if you invest $300,000 into Enbridge stock, which has a dividend of 8%, you'll generate an annual income of $24,000. That's $2,000 every week, the same level of support CERB provided.

Of course, having $300,000 to invest isn't an option for many. How do you bridge the gap? The answer is *growth stocks*.

Growth stocks are the fastest way to increase the value of your portfolio. While these companies have more risk, they're the only way you can turn a few thousand dollars into *hundred*s of thousands of dollars in a handful of years.

Just look at a stock like **Shopify**. Shares have risen 30 times in value in just five years. You could have a nest egg of $300,000 had you invested only $10,000.

Shopify's biggest days of growth are over. That's why you need to invest in the *next* Shopify. Then you'll never need to rely on a program like CERB again.

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