



Forget CRB: 1 Dividend Stock Is All You Need

Description

The update to the Canada Emergency Response Benefit (CERB) is here. The Canada Recovery Benefit (CRB) is the closest benefit that resembles the former benefit. It gives Canadians who are employed or self-employed but aren't eligible for Employment Insurance (EI) \$1,000 for two weeks. Once that two-week period is up, you can reapply for another two weeks, up to 13 two-week periods, or 26 weeks.

The CRB update means you could have \$11,700 after tax of benefit money at your disposal. Any Canadian can apply as long as they can prove they are affected by COVID-19. However, there might be other ways you can create that kind of passive income, with no limitations.

Passive income for life

The beauty of dividend stocks if you can set yourself up for passive income for life. There is no limit to what you can make from dividends, as long as it's under \$50,000 in dividends per year for most areas in Canada. Most Canadians won't come anywhere near that amount.

So, the secret is to find the right stock. You're looking for a regular passive-income cash stream, like what you would receive from the CRB update. In fact, you might be able to bring in \$2,000 per month depending on how much you have available for savings. That's a high number, so I'll also look at some more reasonable amounts. But it's very possible to bring in \$11,700 per year in passive income.

Meanwhile, if you put all that cash into a Tax-Free Savings Account (TFSA), remember that it's all tax free! Right now, the contribution limit is \$69,500, but that will be added onto each and every year of the TFSA's existence. So, you can always go back for more tax-free cash from dividends in the future.

Research Pembina

The stock I would consider the best choice for those seeking regular passive income is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). Pembina has a few things going for it. First of all, it's currently about [half the share price](#)

it should be, according to economists. This is because of it's immense potential in the future and its current strength.

The company is supported by long-term contracts that will see it through for several decades. Beyond that, it has several pipeline projects in the works. These projects would bring an end to the oil and gas glut, causing shares to skyrocket when the pipelines are built.

But there is one thing to consider. This stock is [perfect right now](#) but not potentially decades from now. Pembina already has to jump over barriers due to environmental and societal restrictions, and rightly so. While it will eventually get there, people are already looking elsewhere for new ways to create energy.

Renewable energy will likely be the recipient of most investor and government funds in the future. So, Pembina will have less and less opportunity to grow. While right now, the next few years and even decade or two look solid, it's after that you might need to start worrying.

Bottom line

If you want a passive-income stream today, right now, Pembina is for you. If you want \$2,000 per month, that would take an investment of \$275,244 as of writing. However, you could then see those shares turn into \$571,440 in the very near future. But if you don't have those funds, to create passive income of \$11,700 per year, that would take an investment of \$134,183. That's still quite the investment. But let's say you can put \$60,000 aside, that would create \$5,232 in passive income each year! For life! Meanwhile, that investment could turn into \$124,567 in the near future.

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