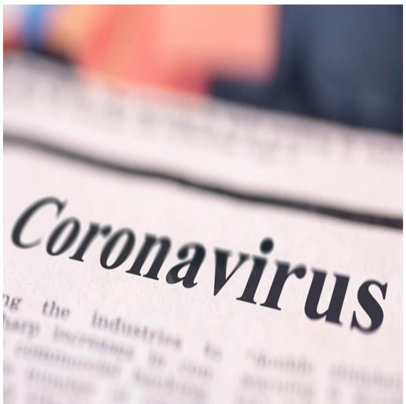

Warning: Over 40% of Canadians Are Not Prepared for a 2nd Wave of COVID-19

Description

According to an article from *Investment Executive*, over 40% of Canadians have claimed “their financial position isn’t strong enough to endure a second wave of COVID-19.” Further, over 30% are worried that their finances will not recover due to the ongoing crisis.

The second wave of coronavirus infections is sweeping across Canada, the U.S., and many parts of Europe. This might force governments to step in and enforce partial lockdown restrictions once again.

Millions of Canadians have lost their jobs, and Canada’s unemployment touched a record high of 13.2% in May. While the federal government stepped in and pumped in billions of dollars as financial benefits via the CERB to stabilize the economy, it is clear that many Canadians were not prepared for the sudden calamity.

Investment Executive further states that over 33% of survey respondents confirmed they had to dig into their savings and take on additional debt to cover expenses since the pandemic began.

Canadians are worried about their financial health and are taking on debt, which is far from ideal, especially if they do not have the ability to make regular payments.

Is a market crash on the horizon?

The second round of lockdown restrictions is bound to drag markets lower. If people are forced to remain at home, consumer spending will fall drastically. Global economies are already in turmoil and GDP figures will continue to be revised downwards in the coming months.

There is a good chance the equity markets will continue to slump at least in the near term. However, a market crash also presents an opportunity to buy blue-chip stocks at a discount if you are ready with dry powder.

You can identify recession-proof stocks such as **Fortis** (TSX:FTS)(NYSE:FTS) and benefit from long-term gains. Further, Fortis pays investors a dividend and can help generate a steady stream of recurring income.

Shares of Fortis are trading at $53.36, which indicates a forward yield of 3.8%. This means a $10,000 investment in Fortis stock will help you derive $380 in annual dividend payments.

Fortis is one of the safest companies on the TSX and has created massive wealth for long-term investors. It has increased dividends for 46 consecutive years, as its regulated business allows Fortis to generate predictable cash flows across business cycles.

Fortis is one of the largest utility companies in North America. Over 80% of the company's annual sales are protected by regulatory mechanisms or residential sales, which insulates it from COVID-19 or other economic headwinds.

In the June quarter, Fortis increased earnings by 2% to $0.56 per share. Its earnings were positively impacted by strong rate base growth of regulated utilities and partially offset by lower earnings in the Caribbean region due to a fall in tourism activities in this region.

Fortis stock has returned 65% in the last decade and is up 37% in the last five years. While this company will not provide you with market-thumping returns, it will help investors grow wealth at a steady pace over the long term.

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araghunath