Turn $0 Into $30,000 With 3 Affordable Steps!

Description

Canadians likely had a lot more saved a year ago. Before the pandemic and before the economic downturn, most Canadians had at least something put away. However, the pandemic changed all that. Today, you may not have a job anymore, and those savings that just sat there are now being eaten up by the mouthful.

But it doesn't have to end this way. You could create a stream of income as high as $30,000 per year by simply changing a few details. That's almost a minimum-wage income! And it's incredibly easy, even if you're starting with absolutely $0 in savings.

Start now!

Never saved before? Start now! Sometimes savings just happen by accident. Millennials in particular are great at this. Millennials are cheap, but want to spend like their baby boomer parents. Once debt is paid down, all that cash goes flying out the window. So, it's time to come up with some secure ways of keeping your finances in check for a rainy day and get to that $30,000 per year.

One solution is to start making automatic deposits each and every paycheque. As soon as your cheque comes in, have a withdrawal set up to go right into an investing account. You don't have to think about it, it'll just happen. A number I like to use is 10% of each cheque. Say you make the average $44,000 per year, that's $4,400 you'll have put away by the end of the year! Couple that with a partner, your household is looking at $8,800 in savings each year from $0!

Add a dash of returns and dividends

The next step you're going to have to do is set up that investment portfolio. If you're not saving, you're very likely not investing. So, you need a Tax-Free Savings Account (TFSA) right now! This is the best way to save big and bring in that extra cash to set aside. You have $8,800 to work with, so now what?

You need to invest in companies that provide strong, solid returns, and the same goes for dividends. It doesn't have to be the same stock though. In fact, it shouldn't be! If you want strong growth, that's likely going to come from a company that reinvests in its products. That means it won't provide dividends in most cases. A strong company I would consider right now then is **Open Text** (TSX:OTEX)(NASDAQ:OTEX).

This company provides cybersecurity for data stored in the cloud and on computers. The company is used by companies known around the world and continues to sign on large clientele all the time. That means we haven't even seen the revenue coming from these large clients. In fact, the company has grown revenue year over year, most recently by 8.4%, even as other companies flounder. As the world becomes more online, this company will continue to soar in share price; it's already up 21% this year alone.

As for dividends, go with a company that's going to be around in another few decades. That leaves you worry free. I would go with **Canadian Imperial Bank of Commerce** as it's a Big Six Bank with the highest dividend yield. Right now, you can receive a 5.88% dividend yield from this company and continue to see dividends and shares steadily rise after the downturn is over.

Put it all together

So, you have $8,800 to reinvest each year. You put that cash towards these two stocks. In just two years, you'll have turn that $8,800 investment into $30,000 with dividends reinvested. And if you don't touch it for decades, watch your cash continue to grow, and you'll be able to retire by freedom 50!

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:OTEX (Open Text Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
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