



How to Earn More Passive Income Than the \$1,080/Month CRA CERB

Description

The pandemic is finally behind us. And with the way the vaccination has been progressing in the country, the chances of it dealing another crippling financial blow to individuals and businesses are relatively low. But that doesn't mean everyone and everything is healed.

The pandemic devastated the livelihood of millions of people around the globe, and they still haven't fully recovered from the financial repercussions. Some are experiencing a slow but sure organic recovery. But they still need financial assistance to stay on track, and it's one of the reasons why the government of Canada hasn't suspended all of its COVID relief programs yet.

The still-active CRB

The CERB was perhaps the most generous financial assistance program the government initiated to help the people devastated by the financial impact of the pandemic. But the "generosity" and the policy of low scrutiny made the program into an overhead-cost nightmare for the CRA.

The government discounted CERB and replaced it with a relatively more discerning program, that is, the CRB. It was expected to discontinue this deep into 2021. But it's still going strong, albeit with some changes.

When the CBR started, the government paid \$500 a week to qualified recipients (same as the CERB). The actual amount the people received was actually \$450 because the government withheld 10% tax at the source. However, starting July 18, the government has reduced the payment to \$300 a week or \$270 after deducting taxes. This results in a monthly income of \$1,080 a month (\$1,200 after a 10% tax deduction).

However, if you have a decent amount of capital to invest, two high-yield stocks can help you earn more than this every month.

A timber company

Thanks to a recent timber shortage phase, [timber companies](#) like **Acadian Timber (TSX:ADN)** saw their sales and their stocks spike in May. The Acadian stock grew 34% from the beginning of the year to early May. It has come down a long way from its yearly peak and is currently trading at a 17% discount right now. The stock is currently undervalued as well.

The discount has also affected another crucial number, i.e., the dividend yield. The company is currently offering a generous 6.5% yield right now. If you were to invest about \$100,000 in this high-yield stock, you will earn a passive income of about \$6,500 a year or \$541 a month. If you've grown this amount in [your Tax-Free Savings Account \(TFSA\)](#) (since the contributions alone cannot add up to this sum), your dividend income would be tax-free, unlike the CRB.

A REIT

REITs have a reputation of being generous dividend stocks, but they also tend to slash their dividends as the earnings and income start to take a turn for the worst. It happened with Quebec-based **BTB REIT (TSX:BTB.UN)** in 2020, and the REIT had to slash its payouts from \$0.035 a share to \$0.025 per share. But even though [the payout ratio](#) is still pretty high, the probability that the company would slash its dividends again is quite low.

BTB has an impressive commercial portfolio split into three asset types: Office, retail, and industrial properties. The REIT is still trading at a 25% discount from its pre-pandemic valuation and is currently offering a mouthwatering 7.35% yield. So if you were to divert \$100,000 of your capital to this stock, you will earn \$612.5 a year from this stock.

Foolish takeaway

If you invest \$200,000 collectively in the two high-yield stocks, you can earn about \$1,150 a month in dividend income, which is significantly more than what you get from the CRB. And unlike CRB that *does* have an expiration date, your passive income from the two dividend stocks is likely to continue for a very long time.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ADN (Acadian Timber Corp.)
2. TSX:BTB.UN (BTB Real Estate Investment Trust)

PARTNER-FEEDS

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2. Koyfin
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