



## 40% of Canadians Saved More in the Pandemic: Will You Spend or Save?

### Description

The Bank of Canada conducted a survey during COVID-19's third wave and the accelerating vaccination campaign of the government. Poll respondents were asked about the pandemic's impact and measures to contain the spread. One question focuses on how they plan to use their [extra savings](#), if any, during the pandemic.

An interesting result of the central bank's Q2 2021 survey is that more than 40% of respondents saved more than usual because of the pandemic. However, 75% of them hold the extra savings in cash or bank accounts.

But according to an **RBC** Insurance study dated February 2021, Canadians are re-evaluating the way they save and invest. About 55% have earmarked accumulated savings for future entertainment spending. Only 29% will invest the money, while 18% will pay down debts. Given the climate of uncertainty, what would you rather do, spend or save?

### Investment options

The pandemic isn't over, and new COVID strains threaten the economic recovery. If you have free cash to invest, why not allow it to work and produce passive income? **Timbercreek Financial** ([TSX:TF](#)) and **Sienna Senior Living** ([TSX:SIA](#)) are [dividend stocks](#) that offer high yields.

Your \$30,000 capital (\$15,000 in each stock) could generate \$1,968 in [passive income](#), or about \$164 per month. Both have displayed resiliency, too, in the stock market with their positive year-to-date gains.

### Unique lending policy

Timbercreek is a \$779.81 million conservative, non-bank lender from Toronto. I say conservative because of its unique lending policy. The company lends against income-producing commercial real estate properties. Besides the low loan-to-value or loan-to-security ratios, the loan terms are fewer

than five years.

The mortgage lending activity on cash-flowing properties (multi-residential, retail, and office properties) in Q1 2021 was stable. Management reported a 101.9% increase in net income and comprehensive income to nearly \$15 million versus Q1 2020. Like big banks or traditional lenders, Timbercreek has adequate provision for credit losses to absorb related losses on mortgages and other investments.

Some market analysts even say that Timbercreek's shorter-duration structured financing solutions (bridge mortgages in many) make it a stable investment, if not a bond proxy. At only \$9.63 per share, the dividend yield is an off-the-chart 7.17%.

## Occupancy protection funding

Sienna Senior Living attracts yield-hungry investors. As of August 6, 2021, you can purchase the healthcare stock for \$15.74 to partake of the hefty 5.95% dividend. The \$1.05 billion provider of senior living and long-term care (LTC) services experienced high vacancy rates during the pandemic.

Fortunately, demand is returning to normal this year. In Q1 2021, Sienna's revenue slid 2.66% versus Q1 2020 on a 78.2% total occupancy rate. However, it posted a net income of \$10.14 million compared to the \$2.5 million net loss in the same period last year.

The advantage of LTC residences is occupancy protection funding. Sienna receives government funding for vacancies caused by the temporary closure of admissions due to an outbreak, including coronavirus.

Sienna expects the occupancy rate to remain at historic low levels in the first half of 2021. However, it should gradually improve in the second half when admissions resume in time with the expiration of the occupancy protection funding. Management anticipates a more stable operating environment in the post-pandemic.

## Produce disposable income

Think about investing before spending your savings during the pandemic. You can produce disposable income and keep the capital intact.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

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## **Date**

2025/08/25

## **Date Created**

2021/08/12

## **Author**

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