



## How to Create \$500 in Cash and Turn it Into \$5,000 Now

### Description

It's a really tricky time for Canadian investors. Right now is a perfect time to invest with the market down so much. However, there's a *reason* it's down. Canadians simply cannot afford to be putting a bunch of cash in stocks while inflation, interest rates and more issues threaten their income.

Today, I'm going to go over a strong way to create just \$500 in income that you can invest. It's nothing crazy and nothing that will take away from your day job. Once you have that \$500, you can invest it in this top dividend stock, which should turn that \$500 into \$5,000 one day soon.

### Creating \$500 right now

There are multiple methods out there to create \$500 in income, and I'm sure you've heard many before. But let's be honest; you've likely already covered those if you can't scrape together \$500, right? So, beyond selling items online, cutting back on coffee, and turning your heat off, there's really nothing new.

Instead, let's look at some side hustles you can accomplish online during your spare time. These won't take long and can certainly add up to \$500 in a short period of time.

An incredibly necessary side hustle you could try is proofreading for those who have English as a second language. By simply going to a website like UpWork, you can find literally thousands of proofreading jobs. As long as you have an excellent hold of the English language and grammar, you can edit for general errors. If you do just three of these gigs, you could make \$500.

UpWork in general is a great place to go, along with other sites like it, to find these side hustles to accomplish during your spare time. They allow for short contract work and include things you're already good at! This might include graphic design, virtual assistance, and more. And again, just a few of these contracts can quickly add up to \$500.

## Keep going, or not!

The rest is up to you. You may find that proofreading for some extra cash is something you don't mind doing now and again. Or you may just take that \$500 and be on your way. Today, we'll look at what happens when you do the latter.

In this case, you're going to take that \$500 and put it towards a safe stock that's currently down and out. There are plenty to find, but the best I'd consider is **Canadian Imperial Bank of Commerce** ([TSX:CM](#)).

CIBC stock has the highest dividend yield at 5.73% of the [Big Six banks](#). It's in value territory trading at just 8.33 times earnings, and it's considered cheap with shares down 19% year to date. Plus, take into consideration its recent stock split, and you can get a great price right now as well.

## Invest!

Once you invest that \$500 into CIBC stock, today you would bring in about nine shares for about \$30 in annual passive income. That's not much, but you could certainly turn even this small amount into \$5,000 one day.

Let's first look at CIBC stock and its compound annual growth rate (CAGR). For the last two decades, that's been at around 11%. Its dividend has increased during that time by a CAGR of around 5%. But you're going to make a bit more in the next year.

Even if you miss out on the market bottom, CIBC stock should rebound to [pre-drop prices](#) within a year. So, let's say those nine shares do just that. Already you've turned \$500 into \$724! From there, we'll take into consideration that CAGR, and reinvest your dividends.

## Bottom line

Should shares recover in a year and go on their normal way from there, it would take under 16 years to turn your \$500 into \$5,000. After 16 years, it would turn into \$5,617 with these results. Now, imagine if you continued doing these odd jobs. You can create a lifetime of income from just a few hours of work.

### CATEGORY

1. Investing
2. Stocks for Beginners

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