

How to Generate \$1,000 Per Month in Dividend Income

Description

My [article](#) about stocks that pay dividends on a monthly basis was very well received; it is very clear that many investors are seeking regular cash flows and want to generate additional money from their equity holdings. In this article, we will look at how investors can use the securities that pay dividends on a monthly basis to generate at least \$1,000 per month in passive cash flow.

If we take shares of **Inter Pipeline Ltd.** (TSX:IPL) as an example, investors will need to purchase 2,380 shares to receive dividends of \$333 per month. The [reason for purchasing this name](#) is due to its unique position in the oil sector. As long as oil is produced and transported via pipeline (which is the preferred way to do so), shares of Inter Pipeline will remain robust and trade with limited volatility. With a current beta of 0.36 and a dividend yield of ~6.5%, investors need not worry about the long-term outcome of this investment; they only need to wonder when the next dividend increase will come.

The second name investors will need to dive into is none other than **Artis Real Estate Investment Trust** ([TSX:AX.UN](#)), which, at a price of \$14 per share, offers investors a lucrative dividend yield of 7.7%. To receive \$333 per month, investors will need to own no less than 3,700 shares. The properties owned by the company are concentrated in western Canada, which is steadily improving since slowing down due to the decline in the price of oil several years ago.

As the company has paid out only 76% of cash flow from operations, investors can focus on the improvements currently happening in western Canada, which will eventually lead to another dividend increase.

The final name investors need to consider is **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)), which pays a dividend yield of no less than 4.1%. By offering investors \$0.09875 per share, per month, investors seeking \$333 on a monthly basis will need 3,372 shares to hit the mark. All things considered, investors have a lot of upside opportunity with this name, as dividends have increased in two of the past three fiscal years.

For those seeking to deploy their capital with the intent of generating regular income, the feat should not seem so daunting. Instead, it is the dollars that are retained inside the company that will deliver an unknown outcome.

For investors who employ the strategy outlined in this article, the total amount of money needed to purchase all shares is ~\$210,400, which will offer monthly cash receipts of \$1,000, or \$12,000 annually. The total yield on the portfolio can be calculated as \$12,000/\$210,400, which equals no less than 5.7%.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:AX.UN (Artis Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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