



## How to Turn a \$150,000 TFSA Into a \$1,000 a Month Tax-Free Income Stream

### Description

If you've got a \$150,000 TFSA amassed, you have the ability to construct a \$1,000 per month income stream. And while you could certainly create an even larger income stream with that \$150,000, it may not be as reliable as you'd have to invest in artificially high yielders that likely have a lot of baggage for investors. You've worked hard to amass a \$150,000 TFSA, so don't introduce unnecessary risk into your income stream, even if you're a young investor who can "afford" to take chances with your principal.

The fact remains that every dollar in a TFSA is worth substantially more than a dollar in your savings account. It's your tax shelter, and you're going to want to keep the funds within it reasonably safe from a potential economic downfall.

If you're a beginner TFSA investor who hasn't dabbled with [high-yielding securities](#), check out [my prior piece](#) that sheds a bit of light on the TFSA and its long-term potential. Although a \$150,000 TFSA may not be large enough to support your retirement, it's now large enough to help you cover the bills and get that much-desired raise that many of today's employers may not be able to grant.

It's important to remember that to get a \$1,000 monthly income stream; you're going to need to have a yield basis of 8%. The two stocks mentioned in this piece are either above and below the 8% mark, so it's up to you to weight your portfolio such that the portfolio's average yield will be around 8%, so you do get the \$1,000/month as advertised by my article title!

Without further ado, here are two robust super-high dividend payers that you may want to add to your TFSA income fund.

**Enbridge ([TSX:ENB](#))([NYSE:ENB](#))**

With a dividend yield standing at a towering 6%, Enbridge is a dividend darling that should not be taken lightly. The pipeline giant has come under a considerable amount of pressure over the last few years, but the dividend and the longer-term growth story both appear to be more robust than the stockchart would suggest.

For full year 2018, the company clocked in \$12.8 billion in adjusted EBITDA, up a whopping 25% year over year. While there's still a bit of baggage that investors may have to hold at this juncture, most notably the \$60.3 billion in long-term debt, there is light at the end of the tunnel in the form of medium-term catalysts that could propel the stock out of its funk.

With all the debt and the hefty dividend, the balance sheet is tight, but given the \$16 billion worth of projects that could go online over the next four years, cash relief appears to be coming. And while Enbridge's projects are subject to a high degree of uncertainty, it's important to remember that once pipeline projects are up and running, Enbridge will have a huge moat around its new-found cash cow.

In the meantime, all eyes are on the Line 3 Replacement, which is going to be a significant source of near-term growth for a company that's been down in the ditches for far too long.

## Inovalis REIT ([TSX:INO.UN](#))

I'm just going to say it outright: Inovalis is my favourite high-yield REIT.

The 8.24% yield is juicy, it's safe, and it's subject to increase from distribution hikes over the medium term. With a new source of financing (\$22 million) from an avid institutional investor, Inovalis is a small-cap (\$235 million market cap) REIT with enough agility to sustain the perfect blend of growth and distribution.

As a European-focused REIT, Canadians worried about the frothy state of Canada's housing market can put their worries to rest, as the trust is a bet on the German and French real estate markets, both of which appear more robust than here in Canada.

Moving forward, expect Inovalis to grow its small but impressive property portfolio. And should management continue to operate at such a high level, investors will be able to have their cake and eat it too. A huge, growing distribution and potential modest capital gains will likely be in the cards over the foreseeable future, but should Main Street catch on to the name, I expect significant gains for shares, as the yield drops to levels that are more in line with the industry average.

Stay hungry. Stay Foolish.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)

2. TSX:ENB (Enbridge Inc.)
3. TSX:INO.UN (Inovalis Real Estate Investment Trust)

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