



## Grow Your Passive Income With This High-Yield Monthly Dividend Stock

### Description

Most companies issue dividend payouts on a quarterly basis. However, some companies offer investors monthly dividend payouts. Monthly dividends can help replace or supplement your income or augment your money growing tax-free. Thus, they can be a great source of passive income.

For this strategy to be efficient, though, it is essential to invest in companies with a strong outlook. Whether they are issued on a monthly or on a quarterly basis, dividends are only as good as the company's future earnings. Let's look at a corporation that offers monthly dividends and displays strong future earnings growth prospects: **TransAlta Renewables Inc** ([TSX:RNW](#)).

### Changing tides in the energy sector

In many ways, a bet on TransAlta is a bet on the future of the energy industry. The effects of fossil fuels emissions on the environment are well documented, and the need to switch to renewable sources of energy has been at the forefront of public discussion. Although there is no universally agreed upon plan to achieve this goal yet, the renewables energy sector is set to grow at a fast pace.

TransAlta is well known for its focus on renewable sources of energy. The company operates 34 renewable power generation facilities across the U.S., Canada, and Australia, including 23 wind facilities 13 hydro facilities and one solar facility. TransAlta has continuously grown its portfolio of renewable energy facilities by either expanding the power generation capacities of the existing ones or purchasing new ones.

The Calgary-based company is under contract to operate many of these facilities for years – in some cases for decades – to come. In other words, TransAlta is well-positioned to benefit from the evolving demographics of the energy sector.

### Recent financial performance

TransAlta's strategy toward renewable sources of energy has [served the company well recently](#). The

company's financial results for 2018 showed an increase in renewable energy production and revenue compared to last year. Net earnings, earnings per share (EPS), cash available for distribution (CAFD) and adjusted funds from operations (AFFO) all saw increases.

Despite being in business for decades, TransAlta's IPO was in 2013. Since then, the company has offered investor a monthly dividend, and the company's dividend payout has increased by 65%; this amounts to a yearly increase of about 10%.

Last year, dividends paid accounted for about 81% of the company's CAFD, which isn't bad by industry's standard. With increasing cash flows and an expanding market share in a growing industry, TransAlta is set to continue offering monthly dividends for years.

## The bottom line

As renewable sources of energy capture a larger size of the energy sector, many companies will have to adjust their strategy to remain competitive. TransAlta has already made important strides in that direction and the company continues to do so. TransAlta expects to add new renewable power generations facilities in 2019 while expanding some existing ones. The company promises to keep growing its earnings at a steady rate, and [investors can benefit for years](#).

With its monthly dividends and a juicy 7.36% dividend yield, TransAlta can help you boost your passive income.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

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