



Collect Over \$300 a Month in Passive Income in Your TFSA With These Stocks

Description

The Tax-Free Savings Account (TFSA) tends to attract praise as a fantastic vehicle for growth-oriented investors. The TFSA has made many fortunes since its inception in 2009, but it is also attractive as an [income vehicle](#). Today, we are going to look at three stocks to scoop up in your TFSA. These equities combined can net investors over \$300 per month in tax-free passive income.

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#))

Shaw Communications is a Calgary-based company that serves as one of the largest telecommunications providers in Western Canada and in northern Ontario. Shares have climbed 9.2% in 2019 as of close on May 16. The stock is up 3.3% from the prior year.

[Back in December](#), I'd argued that telecoms were a solid target with central banks looking to pump the brakes on interest rate hikes. A pull away from bonds would see utilities, telecom, and other steady dividend stocks come back into favour. Shaw and other Canadian telecoms are great targets for income investors right now.

Shaw last paid out a monthly dividend of \$0.09875 per share. This represents a 4.3% yield. In our hypothetical scenario, a TFSA investor would commit a third of their maxed-out portfolio to Shaw. At its current price, the investor could purchase 777 shares of Shaw for \$20,979. This would amount to a monthly dividend payment of \$76.

Freehold Royalties ([TSX:FRU](#))

Freehold Royalties is a Calgary-based company that aims to acquire and manage oil and gas royalties. Shares of Freehold have climbed 6% in 2019 as of close on May 16. The stock is down 35% year over year.

Freehold is attractive for income investors because of its strong balance sheet, which has supported its dividend over the years, even in a turbulent energy sector. In the first quarter, the company generated

funds from operations of \$29.3 million, or \$0.25 per share, which was well above its dividend-per-share levels of \$0.1575. This extra room allowed Freehold to pay down about \$12 million in net debt.

In the first quarter, Freehold declared a monthly dividend of \$0.0525 per share. This represents a tasty 7.1% yield. If investors were to pick up 2,394 shares of Freehold at \$8.77 per share worth \$20,995, they would collect a monthly dividend of \$125.

Bird Construction ([TSX:BDT](#))

Bird Construction is a Mississauga-based company that operates in the competitive construction market. Shares had dropped 9.5% week over week as of close on May 16. Bird suffered a post-earnings dip after a May 7th quarterly report.

The company reported a net loss of \$6.5 million on construction revenue of \$261.8 million in the first quarter. Earnings and revenue were dragged down by harsher-than-expected winter conditions in central Canada. This hurt productivity and forced delays. Bird did see its adjusted EBITDA loss shrink to \$3.1 million compared to a \$5.2 million loss in Q1 2018.

The board of directors declared monthly dividends of \$0.0325 per share into July 2019. This represents an attractive 6.9% yield. In our hypothetical scenario, investors could snag 3,756 shares of Bird at \$5.59 per share as priced after market close on May 16. This would net investors a \$122 monthly payment.

Altogether, these three equities could net investors over \$320 per month in their TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:BDT (Bird Construction Inc.)
3. TSX:FRU (Freehold Royalties Ltd.)
4. TSX:SJR.B (Shaw Communications)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/23

Date Created

2019/05/17

Author

aocallaghan

default watermark

default watermark