



## How to Boost Your Passive Income by 5%

### Description

Who among us can't use a 5% boost to their income? This piece will assume that you're not already an income-oriented investor with a yield that's close to the 2% average yield of the broader indices. To command a 5% boost, you'll need securities that have a minimum yield of 7%.

With a yield of 6.7%, **TransAlta Renewables** ([TSX:RNW](#)) is one of the more generous income plays in the "sexy" renewable energy industry.

The renewable sector, TransAlta Renewables, in particular, has been roaring loud this year. Year to date, TransAlta Renewables is up a whopping 35%, and while the opportunity to bag a yield that's north of 8% is now out the window, I still think long-term investors have a chance to pay a nickel to get a dime so to speak at \$14 and change.

[Back in January](#), when TransAlta Renewables sported a massive 8.31% yield, I told investors that they had a chance to have their cake (a huge dividend) and the ability to eat it too (massive capital gains potential).

At the time, the markets were just shaking off the damage endured in one of the worst Decembers in recent memory. Plenty of stocks had their bear market moment, but TransAlta Renewables was a name that was among the most hit, with shares getting pummelled around 40% from peak to trough. It was tough to bite on the name back then, but if you had to courage to step in with a contrarian position, you locked in an 8.3% dividend yield and plenty of gains to go with it in just a few months.

With a pipeline full of encouraging [green projects](#), TransAlta Renewables still has a ton of room to run. And as the ESG trend continues rolling on, I expect that TransAlta Renewables will continue delivering outsized returns to investors, both in the form of dividend hikes and capital gains.

Despite the big 2019 rally, TransAlta Renewables still trades at a modest 16.1 times next year's expected earnings and 1.6 times book. That's pretty darn cheap, so don't feel as though you missed out on the easy money just because shares are trading at 52-week highs.

Stay hungry. Stay Foolish.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise

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