



## Easily Add \$300/Month in Passive Income With This Food Stock

### Description

Passive income is a great way to not only grow your portfolio's value, but to also give you some recurring income if you need the added cash flow. And it's not just boring old bank stocks that you need to invest in to grow a dividend as many of the best yielding stocks aren't even in that industry.

While it's never a bad idea for investing in a solid dividend stock like **Toronto-Dominion Bank**, you can certainly be a bit more aggressive and look for stocks with better yields and stronger growth prospects.

A good example of that is **Pizza Pizza Royalty Corp** ([TSX:PZA](#)), which has 772 restaurants contributing to its royalty pool. Investors are effectively betting on the popularity of Pizza Pizza and Pizza 73 brands and their success over the long term.

[Food stocks](#) are appealing investments, pizza especially, given that they're based on products that are always in demand. In both good times and bad, consumers will buy pizza and it can be a cheap alternative to eating out. And so as long as you're bullish on pizza, the Pizza Pizza Royalty Corp could be a great long-term investment.

While you're not likely to see blowout earnings or for the stock to make a big jump all of a sudden, it can offer you some great dividends and a lot of stability along the way. There's been minimal sales growth over the years, but profits have remained within a range of around \$2 million in each of the past five years.

With more restaurants being added to the pool, there's the possibility for royalty revenues to rise, but the top line isn't likely to see significant changes anytime soon.

However, the main selling point for the stock is its dividend. Not only does it give investors a monthly payout but it's also a high-yielding investment. Currently, the stock pays investors a dividend yield of around 8.7%. The impressive payout is one of the highest that you'll find on the TSX. and part of the reason for it is that the stock has fallen over the past year, which has pushed the yield up as a result.

If the stock continues to recover and rise in price, that yield will shrink.

With a yield that high, you won't need an astronomical investment to add significant cash flow every month. If you were looking to add \$300 a month in dividend income, your investment would need to be around \$42,000. To add just \$100 a month, you'd need just \$14,000 to reach that level. The dividend income could help you pay some bills and be a great way for you to [diversify your income](#).

And if you have the room in your TFSA, you could store the entire investment in there and make the dividend income entirely tax-free. Although the stock has struggled in recent years, with Pizza Pizza Royalty Corp trading below its book value, it could prove to be a good pick up at a relatively cheap price.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:PZA (Pizza Pizza Royalty Corp.)

## PARTNER-FEEDS

1. Msn
2. Newscred
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