



TFSA Investors: How to Make \$400 in Tax-Free Income Every Month

Description

Everyone can use a little bit of extra income, whether that's once a year, once a quarter, or even once a month. That's what you get when you invest in dividend stocks, especially those with a strong track record of past payments, consistent increases, and a strong future outlook to support that dividend for years to come.

Every month, you can watch as your investments continue to grow — and watch with equal enthusiasm as the cash available to you does exactly the same thing.

Whether you're a young investor just starting out or a retiree looking for some extra cash, those funds are absolutely beneficial.

That money can be used toward household payments, an upcoming vacation, or reinvested to make your portfolio grow even larger.

When we talk about a number such as \$400 a month, however, that doesn't come cheap. That's why the Tax-Free Savings Account (TFSA) is so beneficial.

Since 2009, the TFSA has added more and more contribution room, starting out with \$5,000 in 2009, and today offering investors \$63,500 after the most recent contribution room was added.

If investors decide to go in with their partner, that offers them \$127,000 of contribution room this year alone, which is absolutely enough room to give you \$400 of tax-free income each and every month.

So let's look at some options.

Fiera

Fiera Capital Corp. ([TSX:FSZ](#)) is one of Canada's largest asset management firms. The company has grown rapidly since 2011, when it had just \$29 billion in assets under management. Today, that has grown to \$149.5 billion as of writing, up from \$144.5 billion since March.

This growth has come by more than 20 acquisitions since 2012 – and that figure appears to be just the beginning. The company has hardly any acquisitions outside North America, and only a few in the United States, so for a company like Fiera, there's an incredible amount of room to grow.

Yet Fiera remains incredibly affordable as a stock, with a dividend yield that has investors drooling. The stock trades at \$11.34 as of writing, up a solid 60% since 2004. As for its dividend, the yield has grown steadily at an average of 16.5% every year for the last five years.

WPT Industrial

Another stock with incredible potential for growth is **WPT Industrial REIT** (TSX:WIR.U). The company focuses on light industrial properties, of which it owns about 70 warehouses and distribution facilities throughout the United States.

While this looks boring on the surface, there's one exciting area that this real estate investment trust is currently focusing on: e-commerce.

As e-commerce grows (and it still has much more [room to grow](#)) the industry will need more warehouse facilities. WPT Industrial is already on it, acquiring and buying up properties all over the place to boost its bottom line. And that's just in the United States.

The company has partnerships with many major brands, who might go to WPT for future warehouses as it expands internationally.

While the stock is new, it's already up 8% in the last year. As for its dividend of 5.5%, that has increased 8.5% in the last two years. While there isn't much to go on, this stock definitely has a promising future outlook ahead of it.

Pembina

Finally, for a safe stock with tons of growth room we have **Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)). This pipeline and oil and gas producer has plenty of cash flow to support its growing dividend, and is currently in growth mode.

The stock has \$5.5 billion of secured projects in the works, with \$14 billion set aside for other projects later on.

When those projects come online, expect the share price of this undervalued stock to skyrocket. Those projects will continue to support its solid [5% dividend yield](#) for years to come as the cash continues to flood in.

Pembina is no slouch either. The stock has grown by 486% since 2000 as of writing. In the last five

years, its dividend has grown at an average of 8% per year.

Foolish takeaway

To get that \$400 per month, this is how it would shake out for investors:

- A \$16,204.86 investment in Fiera for \$100 per month
- A \$21,821.78 investment in WPT Industrial for \$100 per month
- A \$47,720 investment in Pembina for \$200 per month

That's a grand total of \$85,746.64, or \$42,873.32 each between you and your partner, and \$4,800 per year in dividends. That also leaves plenty of room for other investments, so you can create a diverse portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:FSZ (Fiera Capital Corporation)
3. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
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