



TFSA Investors: How You Can Earn \$500 in Dividends Every Month

Description

A TFSA allows you to own stocks that pay dividends. The big advantage is that you'll never have to pay taxes on the capital gains as well as on the dividends you receive. Therefore, you should seek to maximize your TFSA's potential by buying stocks that pay high dividends — particularly if you want to receive a big stream of income every month.

With an \$80,000 portfolio, it is actually possible to earn \$6,000 a year, or \$500 every month. Think about what you could do with \$500. The big plus is that you earn this money every month, without having to do anything. You can achieve that by buying the following four quality, high-yield stocks: **Inter Pipeline** (TSX:IPL), **TransAlta Renewables** ([TSX:RNW](#)), **Alaris Royalty** (TSX:AD), and **Cineplex** ([TSX:CGX](#)).

By buying \$20,000 worth of shares of each of these stocks, you'll have an equal amount invested in each company. Let's see how much in dividends you may earn by investing \$20,000 in each stock.

Inter Pipeline

Inter Pipeline is a major petroleum transportation, storage, and natural gas liquids processing business based in Calgary, Alberta.

This energy company pays a [dividend](#) of \$0.1425 per share each month, which amounts to \$1.71 per share annually. The dividend yield is currently 7%.

With \$20,000, you can buy about 805 shares (based on the stock price at the time of writing). So, if you buy 805 shares of Inter Pipeline, you'll receive \$0.1425 in dividends per share monthly for a total of \$115. Per year, you'll receive about \$1,380. This amount is subject to increase if Inter Pipeline increases its dividends, which it did regularly in the past.

TransAlta Renewables

TransAlta Renewables is a [renewable energy](#) company that owns and operates energy generation and transmission facilities based in Calgary, Alberta.

This renewable energy company pays a dividend of \$0.07833 per share every month, which gives an annual dividend of \$0.94 per share. The dividend yield is 7%.

You can buy about 1,500 shares with \$20,000 (based on the stock price at the time of writing). So, if you buy 1,500 shares of TransAlta, you'll get \$0.07833 in dividends per share each month for a total of \$118. Per year, you'll receive close to \$1,415. This amount could increase if TransAlta hikes its dividend, which it did a few times in the past.

Alaris Royalty

Alaris Royalty is a Calgary-based company providing long-term capital to private businesses in North America.

This financial company pays a monthly dividend of \$0.1375 per share, which amounts to \$1.65 per share annually. The dividend yield is currently 8.5%.

With \$20,000, you can buy about 1,025 shares (based on the stock price at the time of writing). So, if you buy 1,025 shares of Alaris, you'll receive \$0.1375 in dividends per share each month for a total of \$140. You'll receive about \$1,690 in one year. The amount you receive should increase eventually when Alaris hike its dividend, which it did a few times in the past years.

Cineplex

If you've gone to a movie theatre recently, there is a high chance that you've been to a Cineplex theatre. Cineplex is the largest theatre exhibition company in Canada.

This entertainment company pays a dividend of \$0.15 per share each month, which amounts to \$1.80 per share on an annual basis. The dividend yield is currently 7.2%.

You can buy about 790 shares with \$20,000 (based on the stock price at the time of writing). So, by buying 790 shares of Cineplex, you'll get \$0.15 in dividends per share every month for a total of \$119. Per year, you'll receive about \$1,425. This amount ought to increase, as Cineplex usually increases its dividend once a year.

What you get in total

By summing up the dividends received by the four companies, we arrive at a total of \$492 in dividends per month, which is very close to \$500. Per year, this sums up to \$5,904. And you get that with a TFSA of only \$80,000 and four stocks. So, you know what to do if you want to receive about \$500 a month without having to work for it.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:CGX (Cineplex Inc.)
3. TSX:RNW (TransAlta Renewables)

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