



## Millennials: 3 Easy Ways to Supercharge Your Passive Income

### Description

Dividend stocks tend to be touted as a great choice for additional income when you retire. While that is certainly true, those who are looking at a retirement well into the future can still benefit from having a few of these stocks in their portfolio. After all, can't we all use some extra cash?

Passive income can be used to pay off debts, to boost your household income, or to reinvest in your portfolio for a future time. If this sounds interesting to you, then here are some easy ways to get started bringing in passive income.

### Don't be fooled

First off, a high dividend yield is great, I'll grant you. There are a number of stocks out there that offer super high yields trying to bring in investors, but once you start digging in further there are a few red flags. For instance, that high yield might be pretty much all the company has going for it. The company's earnings reports could be all over the place, and the dividend increase could be stagnant. Even worse, there could be cuts to the company's dividends in its history, and it could happen again in the future.

What you should look for is a strong company with a long history of dividend growth and the means to support it. Take **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), a strong banking institution that might not have a double-digit dividend yield, but that does have decades of dishing it out. Right now that dividend yield sits at 4.10%, and it was just increased during the latest report, even on the verge of a recession. These are great reasons to consider a stock like RBC.

### Double your growth

It's great to start looking into stocks that have a promising future, and even better if you can find stocks that are undervalued. Take the oil and gas industry right now. This industry is ripe with dividends, and share prices have been down for quite some time now because of the oil and gas glut. That makes an [excellent opportunity](#) to buy up these stocks on the cheap.

It also means you'll have a higher dividend yield, and on top of that greater returns in the long run. That could especially be the case with a stock like **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)), with a dividend yield of 4.5% at writing. This stock pretty much stands alone as climbing in a steady upward direction year to date, and while it might be near fair value, analysts predict the company has even higher to go. That's because the company has been dishing out strong earnings and is in the future-focused business of pipelines. These pipelines are sorely needed, so when TC Energy is done growing, expect earnings to increase even further.

## Hold on tight

It can be really tempting to cut and run when you make some gains. But you're young! You have so long before you really *need* to sell stocks like RBC and TC Energy. These two are great examples of [buy-and-hold](#) stocks that can set you up for significant growth in the long term. It also means you'll be given decades of dividends that can be reinvested, growing your bottom line for when you need it. This is the key to growth, and the key to long-term wealth.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TRP (Tc Energy)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TRP (TC Energy Corporation)

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