



Collect \$1,000/Month With This 10% Dividend-Paying Stock

Description

Would you agree with me if I said that an additional \$1,000 in [passive income](#) every month can make a substantial difference to your household?

Think about all the things you can do with that money. You could go a long way in taking care of your utility bills, food, mortgage, or even afford a decent vacation once a year.

There are many ways to generate passive income. The fact that interest rates have gone down means generating passive income has become harder.

All the vehicles like cashable guaranteed investment certificates, high-interest retail accounts, and simple cash funds cannot offer high returns. The best that you can get from any of these risk-free options is 2.5%.

Even if you decide to resort to risky investment with high returns, you can invest in REIT stocks to get an average of around 5% in returns through dividends.

There aren't many ways to generate a decent amount in passive income, even if you have over \$100,000 or more in cash or equivalent assets – or are there?

There is a stock that offers double-digit yields, which you can capitalize on to earn a decent passive income of over \$1,000 per month.

I'm going to discuss **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)), and how you stand to earn more than \$12,000 per year through shares from the company.

Massive dividend yield

High-yield dividend-paying stocks are perhaps the most viable assets to consider if you want to make your money work for you and earn a great passive income stream.

When it comes to high-yield stocks, I will always advise my fellow fools to be careful. You want to choose a company that doesn't just offer you attractive dividends – but it has to be able to sustain itself despite the high payouts.

Chemtrade Logistics has a [high dividend yield](#) of 10.77% at the time of this writing. Yes, you *are* reading that right.

Reliable payouts that can see you earn plenty through dividends if you make a sizable investment in the company's stocks are a possibility.

Chemtrade is one of the world's largest producers of specialty chemicals. The company's operations include the manufacture of sulfur products for the electronics and petroleum industries, chemicals used for water treatment plants across North America, and several types of electrochemical used in various industrial processes.

\$1,000 a month

Chemtrade has a high payout ratio percentage exceeding 923.08% for the past year and this year. The company consistently pays dividends to shareholders every month without fail.

Given the 10.77% dividend yield, an investment of \$112,000 in the company's shares will allow you to earn \$12,062.4 every year, which translates to \$1,005 per month.

Foolish takeaway

Chemtrade is capable of sustaining itself as a good business despite the high payouts due to uninterrupted cash flow.

The company is structured as an income fund, which means that investors will get monthly payouts. Chemtrade's yield has remained stable through the years, despite volatility in the industrial chemical sector over the years.

Between the high dividend yield and reliability of payouts, cheap valuations on shares, a low payout ratio, and a steady demand for the company's products, I think Chemtrade is a decent stock to consider for an excellent passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)

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