



Passive-Income Machines: 2 Dividend Stocks That Earn You Money 24/7

Description

Apart from building up a nest egg for retirement, your savings can also help you by generating a decent passive income. Even a couple of high-yield dividend stocks can generate enough to augment your primary income and help you with your routine expenses.

But when you are starting a passive income stream, you should try to make sure that it continues for a long time, and that the chances of it shrinking or stopping are relatively low. One of your best bets would be choosing high-yield dividend aristocrats.

A heavy-flowing pipeline company

Inter Pipeline (TSX:IPL) is an energy company that operates in the storage, transportation, and processing of energy products (primarily oil and NGL). The company has over 3,300 km of sand oil transportation pipelines, and 3,900 km of conventional oil pipelines. Apart from an impressive NGL production capacity, Inter Pipeline has a wide reach in Europe with 23 petroleum and petrochemical storage terminals.

Since a major part of the company's cash flow is based on dependable oil transportation, investors can feel relatively secure about dividend payouts. The company has increased its payouts for five consecutive years and is [currently offering](#) a very lucrative yield of 7.57%.

If you invest \$25,000 in IPL, you will be making \$1,892 a year in passive income. That \$158 a month can take care of a few small expenses as well as relieve some of the burden off your primary income.

A hydroelectric power company

TransAlta Renewables ([TSX:RNW](#)) is a utility company that's been around for over a century. The company focuses on renewable energy sources like wind, hydro, and solar. It also has a substantial stake in gas power generation. The company has long-term power purchase agreements (PPA), more than half of which are up to and beyond 2030. This means that the company has a dependable cash

flow for at least 10 more years to come.

This operating model is certainly paying dividends for the company and the investors. Currently, the [company is offering](#) a yield of 5.88%. With six years of increasing payouts under its belt, TransAlta has earned the well-deserved title of a dividend aristocrat. \$25,000 in this green company will make you about \$122 a month in passive income.

But that's not all that stock is good for. TransAlta has shown substantial growth in its market value in the past five years. The compound annual growth rate for the company has been 13.2% in the past five years. If it keeps increasing at the same rate, the company has a chance of doubling up your capital in eight years.

Foolish takeaway

Putting your savings to work as soon as possible is the best way to build wealth. If you are a careful investor, the chances are that you have allocated your assets smartly between your TFSA and RRSP. For passive income, TFSA can be your choice of vehicle. If you are looking for stocks that will earn you dependable passive income, as well as contribute to your nest egg in the coming years, TransAlta Renewables and IPL should be on your radar.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

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Date

2025/09/11

Date Created

2020/01/31

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