



Collect \$1,000 in Monthly Passive Income With These 3 Dividend Studs

Description

Passive income will truly change your life: I know it's sure changed mine.

It's especially powerful during rough economic times. While everyone else lives in fear of being laid off or downsized, folks with passive income streams can sleep easy knowing they have extra security to fall back on. They might not have enough passive income to cover all expenses, but even a little coming in every month is enough to take the edge off.

[And \\$1,000 per month](#) of passive income is a great goal. That's enough to really make a difference, yet you won't have to save up for decades to get there. It's an achievable goal.

Let's take a closer look at how you can make your passive income goals a reality, starting with these three great stocks.

Crombie REIT

Similar to many other REITs, **Crombie REIT** ([TSX:CRR.UN](#)) has suffered of late as investors worry about the retail sector.

Crombie is much different than most of its competition, however. Some 60% of total rents come from Sobeys and Safeway grocery stores. Other essential services make up much of the rest. The company is well positioned to thrive during this pandemic, yet shares are still off more than 25% compared to recent highs.

In other words, investors are assuming all of Crombie's non-grocery tenants aren't going to pay their rent. But Crombie has already released April's numbers and it reported collection of 87% of all rents outstanding. An additional 2% of rents have been deferred. These are excellent numbers when compared to the company's peers.

It also bodes well for Crombie's dividend, which is currently at an impressive 7.5%. Many elevated dividends are in danger of being cut, but Crombie's is not one of them.

Power Corporation

Power Corporation of Canada ([TSX:POW](#)) is a holding company with stakes in leading Canadian financial companies like **Great-West Lifeco** and **IGM Financial**. The company also holds stakes in various other financial companies in both Europe and Asia as well as a portfolio of renewable energy enterprises.

As of December 31, Power Corporation had a net asset value of nearly \$40 per share. That has obviously gone down since, but it goes to show what the sum of the parts is worth during good times. The current share price, meanwhile, is less than \$20. That's a big gap.

Power Corporation also pays one of Canada's best dividends, with the yield all the way up to an impressive 9.1%. In 2019, the company posted an adjusted profit of \$3.40 per share. The current annual dividend is \$1.79 per share, giving us a normalized payout ratio in the 50% range.

The company also had more than \$1 billion worth of cash at the end of last year, meaning it easily has enough cash to pay 2020's dividends.

Rogers Sugar

I often talk about **Rogers Sugar** ([TSX:RSI](#)) when profiling stocks that offer steady passive income. The company has paid [uninterrupted dividends for years](#) now, a streak that doesn't look to go away anytime soon.

Rogers — along with its main rival, Redpath — essentially owns the sugar market in Canada. Imports are severely limited to protect Canadian farmers. The company is protected from domestic competition by its solid brand and high barriers to entry. After all, it's expensive to build a sugar factory.

Shares are somewhat depressed today because of general market weakness, and because the company's diversification attempt into maple syrup hasn't worked out that well. But it still features steady earnings and plenty of demand for its product.

As it stands today, Rogers Sugar yields a robust 7.8%. That's an excellent payout for those in search of sustainable passive income.

Collect \$1,000 per month in passive income

A mini portfolio of Crombie REIT, Power Corporation, and Rogers Sugar yields 8.1%. That means you'd need to invest a hair under \$150,000 to get a passive income stream of \$1,000 per month.

While that might seem like a lofty goal, many Canadian savers can accomplish it in no time. After all, that's just \$2,500 per month over five years, which is achievable for many middle-class Canadian

families.

You can always start smaller, too. You'll need just under \$15,000 in these three stocks to collect \$100 per month in passive income. That might be a more achievable goal.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:POW (Power Corporation of Canada)
3. TSX:RSI (Rogers Sugar Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/15

Date Created

2020/05/17

Author

nelsonpsmith

default watermark

default watermark