How to Make an Extra $400 a Month in TSX Stocks

### Description

Receiving dividend payments from your **TSX** stocks is always a great feeling. After working so hard to save up money and invest, it's time your money went to work for you. Plus, with compounding, your money will grow exponentially, creating a massive snowball effect.



One of the easiest ways to increase the returns of your investment is by saving on taxes. So investors should use registered tax-free investing accounts.

The Tax-Free Savings Account (TFSA) is a great tool for investors to use to help build your nest egg and grow your savings.

As of 2020, the maximum contribution room in TFSAs is $69,500, which means that in order to earn $400 a month, or $4,800 a year, your portfolio only needs to yield roughly 6.9% annually.

Luckily, there are several high-quality TSX stocks with yields well above 6.9%.

Here are two of the top businesses to consider adding to your portfolio to boost its total yield.

## TSX energy stock

The first stock for investors to consider is the midstream energy company, **Pembina Pipeline Corp** ( TSX:PPL)(NYSE:PBA).

Pembina is a major player in the energy industry, which is what makes its business such a high-quality investment. Despite headline issues in energy markets regarding the pricing of commodities, energy infrastructure assets, for the most part, are only minimally impacted.

Pembina also owns a diversified portfolio of assets composed of pipelines, gas gathering and processing facilities, as well as other crucial businesses which help integrate its services.

The stock has seen some impact on its business. However, with cost-cutting initiatives, management still believes it can hit its earnings before interest, taxes, depreciation, and amortization (EBITDA) guidance for the full year.

This impressive resiliency of its operations makes its dividend highly stable. That dividend currently pays out roughly 7.6%. Plus, with the stock trading more than 30% off its highs, there is also significant potential for capital gains.

## TSX real estate stock

Another high-quality income stock to buy today is **NorthWest Healthcare Properties REIT** ( TSX:NWH.UN).

NorthWest Healthcare owns hospitals and medical office buildings in several countries worldwide. It's this geographic diversification that has played a major role in its ability to survive the pandemic.

Another factor that helps substantially is the fact that 85% of its income comes from government spending, whether directly or indirectly. This helps mitigate a tonne of risk for the company.

The medical field was hit substantially by coronavirus, with all elective surgeries and visits shutdown as countries tried to slow the spread.



However, we will see much pent-up demand, as people can't just go without surgeries forever. The one segment that has seen a significant hit is its ground floor retailers that operate in the hospitals or office buildings. However, these don't account for much of NorthWest's total rent.

The REIT has recovered considerably from the lows of the market crash. However, it still offers investors decent value. Plus, its dividend yields an impressive 7.5%, higher than almost any comparable TSX stocks.

## Bottom line

Building your own passive income stream out of equity investments is a great way to grow and compound your capital.

So if your goal is to earn $400 a month, soon with dividend increases and reinvestments in TSX stocks, you'll see that climb to $500 a month and so on.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)

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