



## Millennials: How to Generate Over \$450/Month in Tax-Free Income

### Description

Back in the spring, I'd discussed how millennials could [turn \\$20,000 into over \\$1 million](#) over the course of a decade. Fortunately, investors starting out in 2020 also have much more room to work with in their Tax-Free Savings Account (TFSA). Rather than focus on a growth-oriented portfolio, today I want to explore how millennials can build an income juggernaut in their TFSA.

### Millennials: How the TFSA can help you generate big income

The growth potential of the TFSA has been well documented. Some fortunate and crafty investors were able to become TFSA millionaires in the early part of the 2010s. The TFSA can also be a dependable income vehicle. By using your full TFSA room, millennials can generate hundreds of dollars a month in tax-free income if they stash the right stocks. In this article, I want to explore a [hypothetical scenario](#) that will allow you to churn out over \$450/month in tax-free income.

### Three monster dividend stocks to stash in your account

**Keyera** is a Calgary-based midstream oil and gas operator. It transports natural gas liquids such as propane, ethane, butane, and iso-octane to markets throughout North America. Shares of Keyera have dropped 35% in 2020 as of close on July 27.

On July 10, Keyera announced a monthly dividend of \$0.16 per share. This represents a monster 9.2% yield. In our hypothetical, we are going to utilize \$65,000 in TFSA room. Keyera last closed at \$20.89. A \$30,000 investment in Keyera nets us 1,436 shares. Our millennial TFSA portfolio would generate \$229.76 per month in tax-free dividends from Keyera.

**Exchange Income** ([TSX:EIF](#)) is a Winnipeg-based company engaged in aerospace and aviation services and equipment, and manufacturing businesses around the world. Its shares have dropped 37% in 2020 so far. In Q1 2020, Exchange Income delivered 3% revenue growth to \$307 million.

Beyond its formidable income, millennials should also consider Exchange for its solid value. It last had

a favourable price-to-earnings ratio of 12. The company announced a July 2020 dividend of \$0.19 per share, representing an 8.5% yield.

The stock last closed at \$26.66. A \$17,500 investment in Exchange would net us 656 shares. That would mean Exchange would deliver \$124.64 in dividends on a monthly basis. Better yet, it is all tax free.

**Atrium Mortgage** is a Toronto-based corporation that provides financing solutions to real estate communities in Ontario, Alberta, and British Columbia. Its shares are down 25% so far this year. Sales activity in the real estate sector bounced back in a big way in the month of June. This is good news for Atrium and other housing-linked stocks.

The stock last paid out a monthly dividend of \$0.075 per share, which represents an 8.7% yield. Atrium last closed at \$10.35. A \$17,500 investment in Atrium would net our millennial portfolio 1,690 shares. This would net our TFSA \$126.75 a month.

## Millennials: Make sure you diversify

Our total monthly income in the millennial TFSA would come out to \$481, which is very solid to be going forward with. Monthly dividends are always tempting, but millennials should remember to diversify their investments. If you opt for an income-oriented TFSA you may want to lean into a growth-oriented approach in your RRSP.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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