



Retirees: Earn \$200/Month in Tax-Free Income by Investing in These 3 Stocks

Description

Are you a retiree looking for a way to supplement your monthly income? Below, I'll show you how you can make an extra \$200 per month in tax-free dividends by investing in just three stocks. And you don't have to do it by investing in stocks that pay monthly, either. The stocks listed below all pay on a quarterly basis but with different payment schedules. They can generate recurring monthly income for your portfolio.

Corus Entertainment

Corus Entertainment ([TSX:CJR.B](#)) used to make monthly dividend payments, but after some disappointing quarterly results a couple of years ago and a struggling share price, the company [slashed its dividend](#) payments and moved over to a quarterly schedule. Today, the entertainment company, which owns dozens of popular channels and radio stations, pays a quarterly dividend of \$0.06. On an annual basis, the stock is still yielding a fairly high dividend yield of 7.3%.

Corus makes dividend payments every March, June, September, and December. To earn \$200 during each one of those payments, you'd need to invest just under \$11,000 into the stock today. And the dividend stock also comes at a great price, trading at just 0.65 times its book value and forward price-to-earnings multiple of 4.3.

Its fundamentals remain strong, as Corus has reported a positive operating income in each of its last 10 quarterly results. While non-operating items have occasionally derailed its bottom line, this is still a solid company that's significantly undervalued. Corus will report its fourth-quarter results in September.

North West

The North West Company ([TSX:NWH](#)) operates retail and grocery stores in both rural and urban communities across the country, and it has some locations in the U.S., Caribbean, and the South Pacific. With many of its stores in northern locations, they provide necessities to consumers in remote areas. That's why, unlike many popular retailers, North West is a much more stable investment, as

many of its consumers can't easily do without the company's stores.

The stock currently pays a quarterly dividend of \$0.33 and does so every January, April, July, and October. At a price of around \$30, the stock's dividend yield is about 4.4%. To earn a \$200 payment from North West, you'll need to invest just over \$18,000 into the company.

North West shares are trading at 22 times the company's earnings and 3.5 times their book value. It's still a solid buy and the stock's up over 9% so far this year, outperforming the TSX and its 2% decline thus far.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a top bank that fits well in any investment portfolio. The Big Five bank released its third-quarter earnings on August 25, and the stock got a boost, as the company beat expectations, even though it continued to set aside money for bad debts. It also said that it is well provisioned, suggesting there will be fewer provisions in the future, and that the worst may be over for the top bank, at least for now.

Either way, this is still a solid long-term investment to hold regardless of how the economy is doing, as the big banks are safe bets to recover over the long run.

Today, BMO pays a quarterly dividend of \$1.06, which yields around 5.1% annually. It normally makes its quarterly payments every February, May, August, and November. And to earn \$200 in each one of those payments, you'll need to invest a little less than \$15,800 into the stock today.

Summary

Here's a summary of all the aforementioned investments and the dividend income you'd earn from them:

Stock	Investment	Yield	Annual Dividend	Quarterly Payments	Pay Date
CJR.B	\$10,966.67	7.29%	\$800	\$200	Mar
NWC	\$18,048.48	4.43%	\$800	\$200	Jan
BMO	\$15,766.04	5.07%	\$800	\$200	Fel
TOTAL	\$44,781.19	5.36%	\$2,400		

In total, you'd need to invest under \$45,000 across these three stocks to secure monthly payments of \$200. And if those investments are held inside a Tax-Free Savings Account, all that [dividend income](#)

will also be tax-free.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:NWC (The North West Company Inc.)

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