Need Passive Income? Here's the 1 Stock You Need

Description

The world is changing — anyone can see that. During this volatile market, new super powers have emerged. One obvious area is with e-commerce, with the work-from-home economy growing stronger every day. But there's another area that economists are starting to pay attention to. That's renewable energy. So when it comes to passive income, it's time to pay attention.

Government money is tight

Governments worldwide are in bailout mode. First, it's with the citizens themselves. If you can keep citizens spending money, hopefully it will keep the economy afloat. But soon, it'll be the businesses themselves. And governments, especially the Canadian government, will have a big decision on their hands.

The oil and gas glut has been going on for years. Shares in those energy companies have shrunk lower and lower, and production has been stalled with the pandemic. Until the virus is gone, energy companies simply won't be at full production. So it could be years before those companies make back what was lost.

So should the government support energy companies as it has in the past? Or look elsewhere? Many economists now believe it should be renewable energy sources that should receive government money. That would be ideal for Canada, where there is plenty of space for solar farms, wind farms, and other renewable energy projects. The shift is already happening, so passive income seekers should perhaps look to these companies before making a long-term decision.

It doesn't mean risky investing

Just because you're looking to renewable energy companies doesn't mean you're taking on a huge risk. Renewable energy has been around for decades, but you can also look to companies that have a backing. Such is the case with **Brookfield Renewable Energy Partners LP** (TSX:BEP.UN)(NYSE:BEP).

Brookfield has properties across the world on every continent but Africa. It has its hand in every sort of renewable energy source, consisting of about 19,000 megawatts of installed capacity. It’s 60% owned by **Brookfield Asset Management**, so although the company has only been around a few years, its backer has been installing renewable energy since the 1890s.

Shares have been growing steadily since it came on the scene, and the same with its dividend. Shares are up almost 500% since its initial public offering in 2003 and up 61% in the last year. For the last five years, its seen a compound annual growth rate (CAGR) of 35% as of writing. Meanwhile, its dividend yield sits at 3.39%, growing at a steady CAGR of 5.7% in the last five years.

Bottom line

Brookfield is soaring to all-time highs right now, but for long-term investors, it shouldn’t matter. While you can wait for a dip, you’ll be missing out on the company’s solid dividends. And that dip may not happen, as Brookfield is releasing earnings on November 5, 2020.
The company is a stable one and likely to be around for at least a few decades, if not another hundred years, thanks to its backer. So for investors looking to make passive income now and decades from now, you can’t go wrong with Brookfield Renewable.

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