



Passive-Income Investors: How to Make \$26 Per Day in 2020

Description

As of 2019, the average hourly wage across Canada stood at about \$26 per hour. But what if you could make that each and every day by investing in passive income? That would mean, along with your basic hourly wage, you would be bringing in an additional \$9,490 in annual income!

Passive income doesn't have to be risky, even in [today's market](#). All you have to do is find the right stock. Of course, that's easier said than done, but luckily, you're at the Motley Fool! Here is my recommendation if you're looking for a stock set to continue climbing this year. That also means your passive income will continue climbing along with it.

Real estate

When it comes to passive income, the top place to look is real estate investment trusts (REIT). These companies must dish out 90% of taxable income to shareholders, and that usually comes in the form of dividends. If you find the right company, those dividends will remain strong, even during a downturn, such as the one we're experiencing today.

There are a few industries where REITs remain strong. But there are fewer that have an opportunity for immense growth. One area where this is happening is within the renewable energy sector. Renewable energy is currently receiving, and will continue to receive, government and investor funds for years to come. This is because the world is finally moving away from oil and gas. While it certainly won't be overnight, oil and gas will likely go the way of coal over the next few decades. Meanwhile, even now you can take advantage in the growth of renewable energy use.

Another benefit from this area is that those companies investing in renewable energy real estate aren't signing leases year to year. These leases and rentals will stay in place for several years, if not even a decade or more. So, you can look forward to strong occupancy rates lasting years, and dividends lasting the same amount of time.

High dividends, strong future

So, you have the strong future if you look at renewable energy REITs, but there's one that beats the rest when it comes to [dividend yield](#). That has to be **Brookfield Renewable Energy Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). This company has an international presence and is still growing. It may be new, but it's backed by **Brookfield Asset Management**, an investment company that has been around since the 1890s, even starting renewable energy projects in those early years.

Meanwhile, the company has a solid 3.03% dividend yield as of writing. This dividend has grown at a compound annual growth rate (CAGR) of 5.7% during the last five years. Investors have also seen huge returns in the time, with a CAGR of 47%!

Bottom line

Now, to reach that \$26 per day in dividends, it would take more than a small investment. You would have to invest \$286,370 to reach that amount. However, if the same CAGR happens in the next five years, you could turn that into \$597,083.54 in another five years! Not bad for a five-year investment.

CATEGORY

1. Coronavirus
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Date

2025/08/27

Date Created

2020/10/22

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