



Earn \$1,000 Monthly Passive Income With This 1 Dividend Stock

Description

The pandemic and its effects on the economy have shown us the importance of creating multiple income streams. In case you lose your job, you need to ensure that you have some way to cover your expenses. The Canada Revenue Agency (CRA) distributed Canada Emergency Response Benefit (CERB) payments, and it is now providing support through the [Canada Recovery Benefit](#) (CRB).

However, these benefits come with several conditions, and they are all taxable. You need a better way to generate passive income, regardless of your employment status. Dividend income could be the perfect answer to this problem.

Dividends are arguably one of the greatest ways that investors can supplement their active income.

Generating monthly dividend income

\$1,000 per month is more than a decent amount to generate through passive income. Creating a dividend portfolio that can pay you this much might be challenging, but it is possible. Investing a certain amount from your savings in a portfolio of dividend stocks can help you make \$1,000 per month to supplement your account balance.

Holding the [dividend stocks in your TFSA](#) can help you enjoy your passive income completely tax-free. You can also withdraw the amounts from your account whenever you want without any charges or penalties. However, choosing the right stocks is the real deal.

Beaten-up REIT to consider

To give you an example with one stock that you can use to generate \$1,000 per month in dividends, I will discuss the **American Hotel Income Properties REIT** ([TSX:HOT.UN](#)). Real Estate Investment Trusts (REITs) are ideal to consider for monthly income because companies like American Hotel Income Properties disburse dividends in monthly payments instead of quarterly or annual payouts.

The stock looks very attractive today for several reasons. At writing, it is trading for just \$2.61 per share on the TSX. It is one of the worst-hit REITs in the market, trading on a 64% discount from its January 2020 high. However, it is still an excellent growth opportunity for investors. Investing in the American hotel industry can help you benefit from a strong tourism industry with global economic recovery.

In terms of potential growth, the stock could be a goldmine. However, I am more interested in its dividend yield. American Hotel Income Properties is paying its shareholders at an unbelievable 24.76% dividend yield at its current price.

I generally never recommend considering stocks with such a high dividend yield. Still, the company could be worth considering due to its phenomenal growth over the years. Its sales tripled since 2014, and its revenues were up more than 11% last year.

Suppose that it can improve its valuation in the future. The dividend yield can make it easier for you to generate \$1,000 per month. At its yield, investing \$50,000 in the stock could earn you \$1,031 per month through dividends.

Foolish takeaway

Given the possible payouts, an investment of \$50,000 might not be too bad for the cash flow that American Hotel Income Properties could provide. While there are risks with such a high payout, it looks attractive. Waiting too long could see the share prices improve, and the dividend yield shrink.

While investing in the stock right now could be risky, it could provide you with substantial returns through its dividends and capital growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HOT.UN (American Hotel Income Properties REIT LP)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks

2. Investing

Date

2025/08/18

Date Created

2020/10/27

Author

adamothonman

default watermark

default watermark