



Passive Income Investors: How to Make \$28 Per Day in 2021

Description

It's been a hard year for investors. Even just Canadians. Well, even just being a human on this earth has been hard, not just financially, of course. But here, if you're talking about finances, it's been hard for just about everyone. So what if you could make things easier and bring in an additional wage every single day next year?

You don't have to apply for benefits, you don't have to make some risky investments, you just have to be safe and committed. That means finding investments that have strong long-term outlooks. It also means using a Tax-Free Savings Account (TFSA).

The last thing you want to do is give up any returns or passive income you might make to the Canada Revenue Agency (CRA). So, make sure you open up a TFSA before you start. A mere 57% of Canadians have one to date, and that number should be so much higher based on the benefits.

The average hourly wage for this year stood around \$28. To make that in passive income, you'll need a stock that can bring in \$10,220 in dividends. So let's dig in to one option.

Insurance

I've written before about how one of the best places to look for passive income is with [real estate](#). I stand by that, as this area can bring in incredibly high dividends yields. I also provide a solid option for those looking to bring in that passive income but with lower risk within the real estate market.

Another area of little risk is with insurance. Insurance is one of those necessities that is going to remain strong no matter what happens in the markets. Even if shares fall, these companies are likely to still bring in strong returns. In fact, it might even bring on more clients who are looking for a safety net in a time of uncertainty.

But beyond just insurance, you're going to want to find a company that can also provide financial services. Insurance companies tend to be involved in this area any way, so make sure you find the best one. If the company is in both financial services and insurance, you can pretty much bet it will be

one of the first companies out of any economic downturn. That means you'll receive even more returns and dividend boosts in the years to come.

Sun Life Financial

A company that brings this all together is **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)). Sun Life provides insurance, along with wealth and asset management solutions for both individuals and corporations around the world. The company has also been around since 1871, so that shows just how much [staying power](#) Sun Life has.

Another show of strength is through its finances. The company recently saw 11.4% increase in year-over-year revenue during its latest quarterly report, bringing its total debt down by 57% since last year as well — all during a pandemic where finances are strapped.

Meanwhile, shares in the company have grown by 47% in the last five years, with a compound annual growth rate (CAGR) of 7.43% during that same period. As for its dividend, the company's 4.02% dividend yield as grown at a CAGR of 4.2% in the last decade.

Bottom line

If you're going to reach that \$28 per day point, you would need to make a large investment. To get those funds, it would take a total investment of \$246,209 as of writing. However, if the company continues on the same CAGR as it has during the last five years, that could turn into \$425,551.69 in another five years!

CATEGORY

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