



Passive Income Investors: How to Make \$500 Per Year Investing in Dividend Stocks

Description

Dividend stocks can serve as an excellent choice for adding some passive income to your portfolio. No dividend will ever be guaranteed, but that risk does usually come with a reward of a higher yield than what a traditional savings account might pay in interest.

In large part due to the pandemic, we've seen many dividend yields actually get raised this year on stocks that have seen its share price lowered.

This recent market crash has certainly created a level of uncertainty in the market, but for those who are looking for dividend yields above 3%, this year has provided plenty of opportunities.

How to earn \$500 per year

With \$15,000 invested in the stock market, I can show you how to earn more than \$500 per year. All you need to do is own a stock that earns a yield higher than 3.5%, which might be easier than you think to find.

I've put together a list of three dividend stocks that each earn a yield of at least 3.5%. You can choose to buy only one of the dividend stocks, or split the \$15,000 between the three companies. As long as you're investing the \$15,000 into any of the three stocks, your total dividend payments will equal more than \$500 per year.

Toronto-Dominion Bank

The major Canadian bank stocks have [not fared particularly well](#) this year. With interest rates far lower than where they began the year, in large part due to the effects of the pandemic, each of the Big Five banks has trailed the Canadian market since the beginning of the year. And **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is certainly no exception.

Down close to 20% on the year, TD Bank has performed far worse than the Canadian market's return of roughly -5%. The difference with TD Bank is that it provides a dividend yield not many companies

can match.

At today's stock price, the annual dividend payout of \$3.16 per share is equal to a yield of close to 5.3%. Not to mention the bank owns one of the longest dividend streaks alive. TD Bank has been paying dividends to its shareholders for more than 160 years straight.

An investment made in TD Bank today would earn shareholders close to \$800 on the year.

Brookfield Infrastructure Partners

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) might not be able to provide a 5% yield, but its growth potential should more than balance that out.

The \$17 billion company is in the business of owning and operating infrastructure businesses. Typical businesses that the company would own the infrastructure could include utility, transportation, data, or energy businesses.

The stock is trading today at basically the same place that it began the year. But over the past five- and 10-year periods, it's up 75% and 350%, respectively.

Trading today at roughly \$60 per share, the \$2.60 dividend is good enough for a yield above 4%. It might not match the yield you'd get from one of the major Canadian banks, but it's one of the top dividend yields you'll find with that type of [growth potential](#).

An investment made in Brookfield Infrastructure Partners today would earn shareholders close to \$650 on the year.

Fortis

To round out my list of top dividend stocks I've included one of the most dependable companies you'll find on the Canadian stock market. The yield might only be 3.7%, but there's never a bad time to own shares of **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

The company is a gas and electric utility provider to customers across North America. As a utility provider, earnings are very predictable. Even during the worst of market conditions, consumers and businesses are both very likely to continue paying their utility bills. As a result, the company has built a reputation of dependability over the past several decades.

Fortis pays its shareholders an annual dividend payout of \$2.02 per share, which is equal to a yield of 3.7% at today's stock price.

An investment made in Fortis today would earn shareholders close to \$550 over the year.

Foolish bottom line

No dividend is ever going to be guaranteed over the long-term to shareholders. Not even one that has a growth streak of over a century. But if you're willing to take on that risk, any of these three dividend stocks would be an excellent company to own to provide passive income to your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. dividend investing
2. dividend stocks
3. Fortis
4. fortis stock
5. passive income
6. TD Bank
7. td stock

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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

Tags

1. dividend investing
2. dividend stocks
3. Fortis
4. fortis stock

- 5. passive income
- 6. TD Bank
- 7. td stock

Date

2025/08/17

Date Created

2020/11/01

Author

ndobroruka

default watermark

default watermark