



Passive Income: How to Rake in \$500/Month!

Description

Passive income investing is a great way for individuals to generate additional income. It's a method that lets money go to work for you, rather than going to work for money.

However, it's easy to get overwhelmed looking for passive income stocks. This is because some are safer than others while some promise [larger yields](#) than others.

So, it's vital for investors to find stocks that align with their passive income goals. There are many ways to achieve this, it's just about picking the right path.

In the case of trying to generate \$500 per month, investors can look toward traditionally [stable stocks](#). A boat-load of blue-chip stocks are paying yields around 5% right now given deflated share prices.

With a 5% yield, an investment of \$120,000 would generate \$6,000 in year dividends, or \$500 per month.

Today, we'll look at three TSX stocks that offer reliable yet juicy yields in this range.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of Canada's major banks. It's long been a strong Dividend Aristocrat and consistently delivers great value to its investors.

As of this writing, BMO is trading at \$82.50 and yielding 5.14%. So, that would be just about right on the money for an investment of \$120,000 to kick out \$500 per month.

Passive income investors should also note that BMO has made dividend payments every year since 1829, the year they introduced a dividend. So, while economic conditions aren't optimal right now, BMO has shown time and time again it's committed to paying out its dividend.

Of course, there could still be tough times ahead but over a 5-year+ horizon, BMO has great potential

for share price appreciation compared to today. Plus, you're receiving that sweet passive income quarterly all the while.

It's not often that premier blue-chip stocks are offering yields in excess of 5%, so investors should keep an eye on BMO.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the large holding company for Bell MTS, Bell Canada, Bell Media and the other Bell subsidiaries. As such it boasts a diverse range of revenue streams and business positions.

It's the largest telecom in Canada and is a premier Dividend Aristocrat. Given its yield of 6.24% as of this writing, it makes for an attractive buy for passive income investors.

With that yield, an investment of about \$96,000 would be able to generate \$500 per month in dividends. Plus, with its industry-leading capabilities in the mobile network space, there's plenty of room for the deflated share price to grow in time.

Telecoms are traditionally great passive income providers and BCE is well positioned to deliver results for investors.

Monthly passive income: Choice

Choice Properties REIT ([TSX:CHP.UN](#)) is a major Canadian REIT that is anchored by its close relationship with large Canadian grocer **Loblaw**. It leverages this to generate solid passive income for its investors.

If you're truly looking for dividends that flow on a monthly basis rather than quarterly, Choice has you covered. It's also one of the more stable REITs given its strategic partnerships.

In fact, it sports a beta of 0.43, while most of its peers in the Canadian REIT space carry figures over exceeding 1.0. This isn't always a perfect measure, but it can give you an idea that Choice is more resilient to market swings and forces.

As of this writing, this passive income star is trading at \$12.47 and yielding 5.93%. With a payout ratio of only 71.59%, its yield isn't in danger either.

With that yield, an investment of around \$101,000 would be enough to secure a \$500 monthly payment.

Passive income investing plan

Of course, these three aren't your only choices. However, they each offer unique perks that can be beneficial for passive income investing. You don't often get such large yields from big stocks like BMO and BCE, nor do you often get the security in a REIT like you do with Choice.

If you're looking to boost your passive income stream, be sure to give these stocks consideration.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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