



Sitting on Idle Cash? Earn Passive Income of \$99/Month

Description

If you are piling on cash like never before amid the pandemic, then you are not alone. The massive job losses and uncertain economic outlook have led people to hoard cash, as it is the most secure option.

Keeping reserves for emergency use is a prudent move, and we all should have some liquid cash on hand. However, I would discourage the excessive hoarding of cash, as idle money does not generate any income. Instead, allocating the excess cash in dividend stocks offering safe yields can fetch you passive income every month.

Let's focus on three dividend stocks that can help in generating stable passive income every month.

A utility company offering a 5.4% yield

If you plan to park your excess cash in dividend stock for passive income, consider buying **AltaGas** ([TSX:ALA](#)). It pays a monthly dividend of \$0.08, reflecting a yield of 5.4%. AltaGas generates most of its earnings from the regulated utility assets, which drives its cash flows and supports its dividend payouts.

AltaGas continues to invest in a high-quality utility asset base that is likely to support its future payouts and make it relatively immune to economic situations. The company projects its rate base to increase by 8-10% in the coming years, suggesting that you can expect AltaGas to raise its dividends in the future at a decent rate.

While AltaGas's utility business could continue to generate predictable cash flows, its midstream operation is likely to deliver strong growth, thanks to the higher volumes and utilization. Meanwhile, the addition of Ridley Island Propane Export Terminal is likely to give a significant boost to its midstream operations and support the uptrend in AltaGas stock.

A REIT with a 6.5% dividend yield

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) is another top option to generate steady passive monthly income. NorthWest owns a defensive real estate portfolio of hospitals, clinics, and

medical office buildings that made it relatively immune to the COVID-19 pandemic and supported its monthly payouts.

NorthWest Healthcare's [occupancy](#) rate and weighted average lease expiry term remain high. Meanwhile, its leases are inflation-indexed. The company's resilient business and strong balance sheet positions it well to continue to accelerate its growth through acquisitions. Moreover, the deleveraging of the balance sheet and divestiture of non-core assets bode well for growth.

NorthWest Healthcare pays a monthly dividend of \$0.07, translating into a dividend yield of over 6.5%.

An energy stock with an 8% yield

Next up are the shares of the energy infrastructure company **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). Pembina Pipeline is known for its robust [dividend payments](#) over the past several years, thanks to its low-risk and diversified cash flows.

Pembina Pipeline's business is highly contracted and generates strong fee-based cash flows that are more than enough to cover its dividend payouts. Despite the short-term challenges, Pembina projects its fee-based contracts to deliver ample cash flows to meet its operating obligations and fund its dividends.

Thanks to its resilient cash flows, Pembina's future dividends are secure. Currently, Pembina pays a monthly dividend of \$0.21, translating into a dividend yield of about 8%.

Bottom line

The payouts of all these TSX-listed companies are pretty safe and should help you to generate stable monthly income. A \$6,000 investment in each of these stocks would result in a passive income of \$99/month.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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