Canadian Passive-Income Seekers: Earn $100 Per Month, Even During a Crash!

Description

There are a lot of articles out there touting methods of making serious amounts of passive income. Granted, there are ways to make thousands in passive income for the rest of your life. But, unfortunately, not everyone can afford to invest $80,000 into stocks to bring in those thousands.

Luckily, if you're able to put aside some cash, you can certainly bring in passive income that will at least make a difference in your monthly income. All you need to start with is a Tax-Free Savings Account (TFSA).

The TFSA has added contribution room every year since its created in 2009. That contribution room is usually between $5,000 and $10,000. So, Canadians can plan to put aside a few thousand dollars every year to meet that limit. That way, you can slowly build a nest egg rather than having a lump sump payment available to invest.

It's pretty easy to accomplish and shouldn't eat too much from your paycheque. What I recommend is taking 10% of each paycheque and putting that aside in your TFSA. Then, when the stock on your watchlist is at a price you're willing to pay, you can put it towards that stock! If you make $50,000 per year, there's your $5,000 contribution room right there!

What to invest in

If you're looking to make cash over the next few years, then the energy sector is the place to do it. The oil and gas industry is trading at all-time lows right now thanks to a glut in the markets, an economic downturn, and a pandemic. However, oil and gas won't be down forever.

While it's true that green energy will eventually take over, this won't happen overnight. There is definitely going to be a rebound in oil and gas in the next few years, and even within the next few decades. So, buying in this industry would be a great option, especially as most offer solid dividends.

What you also want to consider are stocks that build pipelines. Again, pipelines have a lot of hurdles to go over, and these will eventually fade, but for the next few years, those that have pipelines built or are in the process of building pipelines will be the saviours to the oil and gas sector.

Top pick

A top option would be **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ). CNR has everything oil and gas investors would want. It explores, develops, produces, and markets crude oil and natural gas. As oil and gas increase in price, so will the company's revenue. But it also owns and operates two pipelines. This means not only will it provide a method of shipping other company's oil and gas, but it will get its own out the door first and foremost.

The company has kept its dividend solid during this downturn; it's currently at a 5.98% dividend yield as of writing. Investors can look forward to years of dividends from this stock, while waiting for returns to come flooding back in.

Bottom line

To reach that $100 per month, it wouldn't take an enormous investment in CNR. As of writing, it would cost just about $21,000 to bring in $1,200 per year in passive income, and $100 per month. And again, that's not including the returns that will likely occur in the years to come. While I might not hold onto CNR for decades, the next decade could be a great option for investors looking to see a reasonably quick turnaround in the oil and gas sector.

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TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)

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