Sitting on Some Cash? Earn $148/Month in Passive Income

Description

If the pandemic has done anything good for Canadians, it's caused us to become super savers. Whereas many Canadians had practically nothing saved for retirement, today, Canadians of practically all ages are saving four times as much as usual. Before the pandemic, Canadians would save only about 2-3% of disposable income. Today, that's skyrocketed to 28.2% as of writing, the highest savings rate in a whopping 60 years!

But here's the problem: Canadians are simply sitting on this cash. Many Canadians still believe that investing is too similar to gambling. That the markets have too much risk. Its fair enough as this year has been a troublesome year, but it's the exception that makes the rule. And that rule is overall, the market trends upwards — especially if you hold solid stocks that will be around for decades.

What makes it even more appealing is if you do two things: invest in passive income stocks and put those stocks in a Tax-Free Savings Account (TFSA). A TFSA means all returns and dividends are free from taxes. If you have enough stashed away, you could be bringing in almost $150 per month in passive income alone!

CIBC

A great option to start with is a Big Six Banks. Canadians banks fared as some of the best in the world during the Great Recession about a decade ago, coming back to pre-crash levels in just about a year. Take **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) for example, which fell 48% during the crash in May, coming back to pre-crash levels by December the next year.

Now take a look at this year's crash. Not only has CIBC come back to pre-crash levels within months, but the stock keeps on climbing! Year to date, returns are about 8% higher as of writing. Meanwhile, the bank offers the highest dividend yield of the Big Six Banks at 5.29%. Investing $10,000 into CIBC right now would bring in $794.24 per year in passive income.

Northwest Healthcare

Sure, banks will be around for decades and are an obvious stock to hold onto. However, healthcare stocks are another industry seeing huge investment right now. But don't go just investing in risky stocks hoping to make a buck. Instead, you can find a company like **Northwest Healthcare Properties REIT** (TSX:NWH.UN).

Northwest invests in a diverse range of healthcare properties around the world. Whereas other real estate investment trusts (REITs) saw a drop during the pandemic, Northwest hit occupancy rates of 99%! Its revenue also jumped from around 1% to 10% in just a few quarters. Meanwhile, shares are now up 5% year to date and closing in on all-time highs. Yet if you bought this stock fives years ago, your shares would now be up 104% as of writing — all while receiving a 6.57% dividend yield, bringing in $979.20 from a $15,000 investment.

Bottom line

If you were to put $15,000 into each of these stocks and stash them in your TFSA, you would bring in a total of $1,1773.44 in annual passive income! That comes out to $147.79 in passive income as of writing each and every month. That's putting your money to work, and not taking into account any returns you might make.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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