
# Canada Revenue Agency: Earn $945/Month TFSA Income by 2021!

**Description**

The Tax-Free Savings Account (TFSA) has to be the antidote to 2020. This year has been awful, but the TFSA provides investors with a safe place to keep their cash during a downturn. If you have any money to spare, your TFSA is the number one place where you should be keeping it.



I know it sounds counter-intuitive to invest in stocks during a market downturn. But I'm not crazy. Here's why a TFSA can be the solution to your financial woes, and how you can make almost a thousand a month with smart investing!

## The goal

If you're investing in a TFSA, the goal is to make returns. It sounds a lot like gambling, doesn't it? Many people still equate investing to gambling, but to be clear: it's not. Investing provides you with all the research available to make *informed* decisions before buying a stake in a stock. This takes some time and effort, but it's worth it when you come out the other end with returns.

Another reason it's not gambling is that you can count on the markets to go up overall. In this scenario, you're the house, and the house always wins! All you need is patience. When you invest, it shouldn't be for a month or two, and shouldn't be day trading. Leave that to professionals. For the average investor, you should be buying for years, even decades! That way, you can ride the upward trend of the stock market.

## The stocks

Now, of course, not every stock will trend upwards. There are stocks, even industries, that may falter during this time. So don't get risky if you want to create a strong source of returns. You want companies that are likely to continue doing well during those decades you'll be invested.

An area that will be around no matter what happens has to be utilities. No matter what happens in the future, people have to keep the lights on. This can happen whether we use gas, as many places do today, or in the future with green energy projects. Utilities will always be around, making it a solid long-term “bet.”

A strong stock to consider in this area would be **Fortis Inc.** (TSX:FTS)(NYSE:FTS). After a dip during the market crash, Fortis came back strong and is now around pre-crash norms. Over the past five years, the company has grown 75% for a compound annual growth rate (CAGR) of 15% per year. Meanwhile, it offers a solid 3.85% dividend yield to investors for some strong tax-free passive income.

## Foolish takeaway

Let’s say you’re able to put away $60,000 into your TFSA come January 1, 2021. If you’re going to leave it there for a year, you’re likely to continue seeing similar growth as you have for the last five years. If that’s the case, in one year you will have made $2,308.86 in annual passive income.

Meanwhile, your return on investment should be around $69,037.20, or $9,037.20 in returns, bringing your total return to $11,346.06 for monthly tax-free revenue of $945.50!

**CATEGORY**

1. Coronavirus
2. Investing
3. Stocks for Beginners



**TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

**PARTNER-FEEDS**

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