



Passive Income: How to Get Paid for Doing Nothing

Description

Passive income is the dream. You just have to sit and wait as cash piles up, just waiting for you to spend.

But getting paid for doing nothing is easier said than done. It requires patience, skill, and a little luck. By following the steps below, you can maximize your chances of success.

This is your first step

If you want to build a passive-income stream, you have to think smart. Take advantage of every avenue. That's why TFSA investing is a *must*.

TFSA's protect your money from taxes. Capital gains and dividends all accrue without ceding a penny. Avoiding taxes can cut years off your investing time horizon.

Most people skip straight to stock picking, but smart investors establish a TFSA first, and make sure to maximize contributions every year.

Passive income requires passive investing

There's no getting around one fact of life: it takes money to make money. If you want to receive cash payments for doing nothing, you first must pay into the system.

The best way to build a sizable nest egg is by automating your contributions. Want to eventually receive \$1,000 passive income every month? Start by investing \$1,000 every month.

If that figure is too high based on your current income and budget, try a smaller number. A contribution of just \$100 per month is enough to get you started. The trick to passive income is consistent contributions, not herculean feats every once in a while.

If you max out your TFSA contributions and earn 10% annual returns, you'll reach the \$1 million mark

after 30 years. That's enough money to generate \$100,000 in annual income!

You don't need to wait as long if you're just looking for passive income of \$10,000 or \$20,000 per year, but it's [amazing](#) how small but steady contributions compound over time.

Make sure to buy stocks like this

Invest with a TFSA. Make consistent contributions. These two steps will put you on the path to passive income.

The final step is to buy stocks that can generate double-digit annual returns over many years. You want to diversify, owning an entire basket of rewarding stocks, but a good place to start is a business like **Hydro One** ([TSX:H](#)).

There are few stocks more reliable than Hydro One. It's a utility company, delivering power to customers across Ontario. Its power lines cover 98% of the province. That market power comes with regulated prices. This sounds bad, but it isn't at all. Hydro One usually knows its pricing years in advance, meaning a surprise recession won't hurt profits.

In many ways, Hydro One has a monopoly over its market. That's why its prices are regulated, but they're still high enough to support a 3.5% dividend, plus 5% annual rate base growth.

If you're looking to build a passive-income stream, look for stocks like this. The company's competitive advantages won't wane for a long time. In both [bear](#) and bull markets, this stock is capable of producing positive returns.

Consistent passive-income streams require consistent stocks — ones that can deliver for decades to come.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:H (Hydro One Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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