



Passive Income: How to Earn \$25 Per Day in 2021

Description

The COVID-19 pandemic disrupted not only the lifestyles but also the long-term financial goals of people. Ironically, and amid the uncertainties, Canadians themselves could save the country's economy in 2021. Households added a massive \$127 billion to savings in 2020.

A senior managing director at Investor Economics, Carlos Cardone, said that if the money is redeployed into investments or expenditures, it might well be the engine for the economy's recovery. The lockdowns also spawned resourcefulness and [passive-income ideas](#) for those staying at home.

Besides [federal aid](#), Canadians found ways to create additional income support. Among the simplest and age-old proven approach is to invest in dividend-paying stocks. In this challenging environment, it's possible to earn \$25 per day in 2021.

Generous dividend payer

The energy sector suffered devastation from the coronavirus and the oil price war. However, an oil and gas midstream company still paid out \$317.4 million in dividends, despite a nearly 67% drop in net earnings. **Keyera** ([TSX:KEY](#)) reported \$136.8 million in net earnings in the nine months ended September 30, 2020, versus \$413.9 million in the same period in 2019.

In terms of stock performance last year, the energy stock underperformed with its -27.8% total return. This \$5.35 billion company is a significant player in Canada's energy sector. For 20 years now, Keyera has been operating an integrated midstream business. It provides all-important NGL (natural gas liquid) gathering and processing, fractionation, storage, transportation, and logistics services.

Throughout the company's history, maintaining a strong financial position has been the topmost priority. Management assures investors that Keyera has the financial strength and liquidity to overcome the challenging environment.

Passive-income potential

Keyera generates fee-for-service cash flows from long-term agreements with customers. Its interests are in 18 active gas plants. All the facilities are well maintained, and the economic lives are for the long haul. Keyera hopes to complete phase one of the Pipestone gas plant this year.

In the fall of 2021, Keyera will begin constructing a 25 MW solar generation facility in Drumheller, Alberta. The project is under a 15-year power-purchase agreement with Samsung Renewable Energy.

The energy stock is a dividend king owing to its high 7.94% dividend. If you were to invest \$113,500, you could generate \$25 in passive income daily (assuming 30 days in a month). Since Keyera pays monthly dividends, your potential monthly income is \$750.99. You can start with a small investment and increase your holding over time.

Furthermore, income investors have confidence in Keyera because of its Dividend Aristocrat status. The stock's long history of steady dividend growth dates back to its IPO in 2003 and has compounded at an 8.9% clip over the last five years. Next year, management expects to deliver an annual return on capital of between 10% and 15%. Meanwhile, analysts forecast the stock price to climb by a modest 24% to \$30 in the next 12 months.

Invest with caution

Canada's oil and gas sector faces another tumultuous year. The challenge for Keyera and its peers is adapting to an unpredictable and ever-changing environment. According to David Smith, Keyera's CEO, the vision to be a responsible Canadian energy infrastructure company is a positive factor. It has served Keyera well through industry cycles and economic changes, especially in recent years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/01

Date Created

2021/01/14

Author

cliew

default watermark

default watermark