



Canadians: Invest \$100 Monthly and Rake In \$200 a Month in Passive Income

Description

Many long-term investors overlook the power of dividends. However, it is one of the safest and proven ways to attain financial independence in your sunset years. If you don't have the big upfront cash to invest, that's completely fine. A small amount invested regularly for the long term can literally do wonders! Let's see how.

Passive-income investing

When it comes to compounding, time plays a more important role than the investment's absolute value.

Let's say you are an average earning individual with moderate risk-taking ability. If you save \$100 a month and regularly invest it in a safe TSX stock like **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) for, say, 15 years. The investment will accrue nearly \$35,200 in 15 years, based on its historical returns.

But [why TC Energy](#)? It is an energy pipeline company that has generated stable returns for decades. Unlike peer energy companies, it earns stable cash flows, enabling consistent dividends.

TC Energy stock is currently trading at a dividend yield of almost 6%, way higher than TSX stocks at large. A reserve of \$35,200 would make \$2,114 in dividends annually, or \$176 monthly.

Top TSX dividend stocks

Investors should note that TC Energy will start paying dividends every quarter since your first investment. However, the longer the investment duration, the bigger the reserve, and the higher your payouts will be.

Also, we have considered its current dividend yield. As the company manages to increase its profits, its shareholder payouts will also increase. So, one can expect a consistent increase in dividend payments over the years.

Another safe stock Canadian investors can consider is the telecom company **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). If you regularly put in \$100 in BCE stock, you would accumulate almost \$45,000 after 15 years based on its historical returns. The reserve with BCE is bigger than TRP as the prior notably outperformed the latter.

Conservative investors perceive telecom stocks like BCE as relatively safer. That's because, irrespective of the broader economy, these companies generate stable earnings. You will hardly see large swings in telecom stocks as you would see in tech stocks.

Based on BCE's current [dividend](#) yield, a \$45,000 reserve would generate \$2,684 in dividends annually. That's \$223 per month. A higher initial investment or the longer you remain invested will increase your payouts significantly in the later years.

Interestingly, with stocks like TRP or BCE, investors do not have to worry about market downturns or recessions. These stocks deliver stable stock appreciation and dividends, regardless of broad market direction.

The Foolish takeaway

Canadians have one of the best tax-saving options in terms of the Tax-Free Savings Account (TFSA). All your gains, be it capital gains or dividends, will be tax-free in the TFSA. The tax-free gains will make a huge difference in your net returns when investing for the long term.

If you have some excess cash or have some contribution room left with the TFSA, consider putting it in such safe stocks for the long term. You can enjoy a decent passive-income stream in your sunset years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:TRP (TC Energy Corporation)

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