



3 Passive-Income Ideas You Can Try in 2021

Description

The stock market's crash in 2020 might have made many people realize the importance of having more than one revenue stream. The economic environment is less than ideal, and it is becoming increasingly challenging to make do with a single income source. Add the uncertainty of job security due to the pandemic, and it is obvious that you should create another income source.

Investing your money to create passive-income streams is the way to go. If you have some contribution room free in your Tax-Free Savings Account (TFSA), there are three passive-income ideas you can try using the account.

Any revenue in your TFSA can grow in your account without incurring taxes. It means that investing in the right income-generating assets can set you up for substantial supplemental income that is tax-free.

Invest in utilities

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is always one of the first names that come to mind when thinking of generating reliable passive income. Fortis is a Canadian Dividend Aristocrat that has been increasing dividend payouts to its shareholders for almost 50 years.

Fortis is a utility provider with customers across Canada, the U.S., and the Caribbean. It provides an essential service to its customers, which means that the company can continue generating revenue regardless of economic conditions. Adding Fortis to your passive-income TFSA portfolio means that you can capitalize on its virtually guaranteed dividend income for the long run and keep growing your account balance.

Invest in real estate

Investing in real estate does not always mean you have to buy a home. In the overpriced Canadian housing market today, there is a [risk of a crash](#), and you might want to look for better alternatives to buying a home. Real estate investment trusts (REITs) that offer exposure to other real estate market

segments like health care could be a better way to go.

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#)) is an exceptional asset for lazy landlords who want to benefit from the importance of the healthcare industry. Northwest is a defensive REIT that owns a portfolio of internationally diversified properties. It rents out its properties primarily to the healthcare sector ranging from office buildings to hospitals.

Northwest has an excellent occupancy ratio of more than 97% and near-perfect rent collection consistently. The company can continue generating reliable cash flows, because most of its portfolio is in Canada and Europe — both have publicly funded healthcare. It means that most of its revenues are virtually guaranteed by the government, making it a reliable passive-income source.

Invest in green energy

Another excellent way to generate passive income could be looking to green energy, because it is the future. As the demand for fossil fuel diminishes amid growing climate change concerns, green energy giants like **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) will become increasingly prominent.

Brookfield has already positioned itself well to take on the growing green energy demand. It owns and operates a globally diversified portfolio of renewable energy-producing assets, including natural gas, wind, solar, and hydroelectric power-generation facilities. As the demand for green energy increases, the industry will boom.

It means investing in green energy can provide you reliable revenue in the short term and substantial wealth growth in the long run.

Foolish takeaway

[Passive income](#) has become a necessity for everyone considering the situation created by COVID-19 in 2020. We are still facing the repercussions of the pandemic, and economies are slowly recovering. However, having a diversified passive-income TFSA portfolio could be an excellent way to secure your financial freedom.

Assets like Brookfield Renewable, Northwest Healthcare, and Fortis could be ideal to begin building a passive-income portfolio.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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