



## How to Earn a Defensive Monthly Income Stream

### Description

Generating a recurring and stable income stream is one of the most overlooked aspects of investing. Many investors focus on growth stocks or choose investments solely on the size of their (often unsustainable) yields. Fortunately, there is a way to have both growth and income in a single package that provides a defensive monthly income stream.

Enter **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)), which is the investment you need as part of your portfolio.

### What Shaw offers, few can beat

Shaw is one of Canada's Big Telecoms but is neither the largest nor the most well-known. Unlike some of its larger peers, Shaw is a pure-play telecom, without a media segment. Long-term investors may recall that Shaw once did have a large media segment, but that business was sold off to finance Shaw's wireless segment.

As a result, Shaw's wireless segment is still considerably smaller than the other Big Telecoms. That being said, Shaw does use its smaller size as a means to gain subscribers from those peers, through aggressive pricing and favourable data allowances. This was evident in the most recent quarterly update, where Shaw reported a record net new 101,000 wireless subscribers. That impressive growth, which was a 31% improvement over last year, was partially attributed to Shaw Mobile.

Shaw Mobile is Shaw's latest mobile offering, which targets existing subscribers. The service allows existing subscribers to bundle mobile service onto their account, providing a handsome discount. Again, it's about drawing in subscribers from the competition on aggressive terms.

This is a brilliant move by Shaw, as it finally offers a defensive moat around its still-new mobile offering. Further to this, the new service allows Shaw is expanding its coverage area for Shaw Mobile subscribers, who can connect via wireless points throughout metro areas. This is a value-add for those customers and a long-term game changer for Shaw.

So why exactly are wireless connections so important? Over the past decade, mobile devices have evolved from being used just as auxiliary communication devices. Those devices are now an integral part of our modern world. As part of that transition, our mobile devices have replaced well over 100 standalone devices that we used to surround ourselves with. Prime examples of this include alarm clocks, cameras, music players, or even landline phone connections.

## Did someone say *income*?

One of the main reasons why investors flock to Canada's telecoms is for the dividend that they provide. Unlike some of its larger peers, Shaw does not provide regular annual bumps to its dividend. What the company does provide is arguably just as good, if not better.

Shaw provides investors with a monthly dividend, which is a welcome rarity for income-seekers. The current yield works out to a tasty 5.32% yield, making it one of the [highest payouts available](#) for what is otherwise a defensive investment. To put some numbers behind that earnings potential, a \$25,000 investment in Shaw will provide you with \$110 every month.

This factor alone makes Shaw a great option for investors looking to establish a defensive monthly income stream.

## Your defensive monthly income stream awaits you

No investment is without risk, and that includes Shaw. Still, what Shaw does offer is impressive. Between the growing wireless segment and defensive core subscription services, Shaw has [long-term appeal for growth](#) investors. Throw in a healthy monthly dividend and you have a stock that could be part of any well-diversified portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

### PARTNER-FEEDS

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