



Put Your Cash to Work and Make \$100 Monthly in Passive Income

Description

Many of us saved a large chunk in the last few months with lower avenues to spend. Canadians' savings in recent months have boosted markedly compared to the historical average. Interestingly, many Canadians are being way too conservative and loading on excess cash that they might not need, even in case of economic fallout.

Don't be too conservative and hoard cash!

Having sufficient cash is indeed one of the most important aspects of managing your own finances. But what if you are sitting on extra cash? Then you are giving up on easy growth opportunities.

Idle money does not generate new money but loses in value with inflation. Instead, parking this money with some [low-risk, dividend-paying stocks](#) would create a passive income stream for a lifetime.

For example, an investment of \$1,000 in a stable stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) will make \$40 in dividends annually. Not all stock market investments are equally risky. Stocks like Fortis are considered defensives because of their slow-stock movements and stable dividends.

Fortis has wonderfully rewarded its shareholders in the past several years. It operates as a large regulated utility that facilitates stable dividends for shareholders. Fortis stock has returned 8% compounded annually in the last decade.

While stocks are volatile in the short term, this risk can be minimized with a longer investment horizon. That's why stock markets have been a solid money multiplier for long-term investors. After all, equities have outperformed all other asset classes for decades. Also, defensive stocks exhibit lower volatility than broader markets. Thus, it makes sense for investors to park some part of their emergency cash in defensive stocks.

Top safe, dividend-paying TSX stocks

Another safe stock with stable dividends would be **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). It yields 6.5% at the moment, which means an investment of \$1,000 will make \$65 in dividends annually. Such a steep dividend yield in this low-interest rate environment makes TRP stock attractive for income seeking investors.

TC Energy also has cash flow visibility like Fortis because of its low-risk operations. It is one of the biggest oil and gas pipeline companies and generates stable revenues. Investors can [depend](#) on TRP's consistently growing dividends, given its long-term, fixed-fee contracts and cash flow stability.

Top **TSX** stock TRP has returned 9% compounded annually in the last 10 years with dividends.

If you are looking for a higher payout, you can increase the initial investment in these stocks. For example, an investment of \$20,000 in TC Energy stock would generate \$1,300 annually or \$108 per month in dividends.

These defensives would generate passive income for life. If you invested \$20,000 in TC Energy stock a decade ago, the amount would have grown to \$23,000 today, including dividends.

Bottom line

So, if you are sitting on some extra cash, consider it putting in some top TSX dividend stocks. The cash will be deployed for higher returns while creating stable payouts for the long term.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

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

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