



TFSA Investors: Make \$12 a Day in Passive Income Tax Free!

Description

If you're like me, you like free money. That means money that comes with no strings attached: no taxes, no fees — nothing. It's hard to find but not impossible, especially if you have a Tax-Free Savings Account (TFSA).

Get a TFSA!

Since the TFSA opened in 2009, each year, the Canada Revenue Agency ([CRA](#)) has added an additional chunk of contribution room for Canadians to use. As of Jan. 1, 2021, that contribution room is now at a \$75,500! That's a massive amount of room where you can invest and take out money at exactly zero tax to you.

Yet so many Canadians don't even have a TFSA! As of January 2021, only about 40% of Canadians have a TFSA. Of that, only about 9% of Canadians reach the contribution limit. That's a huge shame, as these Canadians miss out on a fantastic opportunity to make tax-free income!

While I definitely understand not everyone can afford to reach to contribution limit, everyone should be able to invest at least a little towards their future. Even just 5% of your paycheck can create large returns. But if you're able to put in more, you can create a passive-income stream that will become like a part-time job!

Find passive producers

The first step to creating that stream of income is finding stocks that pay out dividends. But not just dividends — dividends that grow! You then want stocks that grow, too. That means finding companies that will either keep being a necessity in years to come or are breakout stars that will become necessities decades from now. Right now, there are a lot of options, but one I would consider first would be the healthcare sector.

The healthcare sector has been put on the back burner for decades — that is, until the pandemic.

Suddenly, it became a reality that there needed to be two things done in the health sector. First, a major overhaul in investment was needed to ensure patient care. Second, it needed to actually have patients receive care! The new president of the United States, Joe Biden, especially remains committed to providing health care to all Americans, and this is an enormous source of revenue for healthcare investors.

Northwest Healthcare

This all means that the healthcare sector is also full of investment [opportunities](#) at a cheap price and with high dividends. A perfect option to consider would be **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)). The company owns a diverse range of healthcare properties around the world. Its revenue skyrocketed during the pandemic and remains strong today.

NorthWest stock also boasts 97.2% occupancy rate of its properties as of writing, with an average lease of 14.5 years! Talk about stability. And it's in an industry that arguably will never go away: health care. Shares will continue to grow — currently up 97% in the last five years for a compound annual growth rate 14.5%. So, if you're looking for stable income for decades, this is the one to beat.

With shares so low in price, you can afford to buy a lot to reach your daily goal. The stock currently offers a dividend yield of 6.34%. So, let's say you were able to put \$70,000 towards NorthWest stock. Today, that would get you 5,516 shares, or \$4,413 in annual income. That would come out to \$12 per day in passive income!

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Personal Finance

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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