



3 Easy Tricks to Make Passive Income Every Day

Description

If you've ever read one of the best investing books out there, you'll know all about *Rich Dad, Poor Dad*'s advice for passive income. It all comes down to investing in real estate. But if you want passive income, there are easy tricks to make it without the financial and physical burden.

While investing in real estate definitely produces strong passive income, it's also expensive. If you're young, it's likely you don't have cash sitting around to buy *yourself* a home, never mind one to rent. And it's also a huge headache having to manage multiple properties, especially in the beginning.

So here are three tricks that offer you passive income *every day*, that won't cost you a cent!

Create passive income through credit cards

Credit cards have gotten a bad wrap, and it's easy to see why. If you don't consistently pay down your credit card to zero, you'll be taking on enormous interest. Credit cards can charge interest of around 20%, so paying down this debt is a must.

But beyond that, credit cards are an excellent tool for passive income. The key is once you master paying down your credit card, use it for literally everything. Bills? On the card. Meals? On the card. A \$2 coffee? Absolutely, on the card.

Why do this? Because most credit cards out there offer cash back. If you can find a credit card that offers the highest cash back, that means all your purchases will be in part paid down through this passive income stream.

For example, let's say you went with the **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). It offers 4% cash back on every purchase. So let's say you spent \$50 eating out, \$300 on your internet and television bill, and spent \$16 on buying coffee, you'd receive \$14.64 back on your card.

Even better, offer your card for purchases! Let's say in the post-pandemic future you take your friends out for a \$300 dinner and they transfer over their share, meanwhile you spent like \$25 on dinner. You

would get \$12 in cash back, paying about half of your order!

Dividend stocks

You can also create a passive income stream by investing in [dividend stocks](#). These stocks provide cash in the form of dividends each quarter and sometimes every month! Plus you get the benefit of seeing shares increase when you hold onto them as a long-term investment.

One great option is energy stocks, especially in today's rebound. Let's look at a top Dividend Aristocrat like **Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)). The company offers one of the best dividends out there, providing stable income supported by decades of future long-term contracts.

The company's dividend yield sits at 6.77% as of writing, and provides investors with *monthly* passive income from its dividend. So if you were to put \$10,000 from your investments into this stock, it would produce \$681 in passive income per year. That's about \$57 per month!

Be a lazy landlord with REITs

Finally, you may not invest directly in [real estate](#), but don't miss out! By investing in a real estate investment trust (REIT), you can still get the benefits of leases and rents, without the headache.

REITs must pay out 90% of taxable earnings to shareholders, and this usually comes in the form of dividends. So looking into growing industries like e-commerce is a strong choice. A company like **WPT Industrial REIT** (TSX:WIR.UN) is perfect for this, as it's been growing through acquisitions of light industrial properties, bringing its total to 109. This should continue to grow as e-commerce thrives, with the company providing storage and shipping solutions to e-commerce companies.

And again, the company provides monthly income to investors. Currently it sports a dividend yield of 4.61%. So an investor putting \$10,000 of their investments into this stock would receive \$455 in annual passive income, or about \$38 per month!

CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BMO (Bank Of Montreal)
4. TSX:PPL (Pembina Pipeline Corporation)

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