



How to Make \$333 per Month in Passive Income

Description

The market continues to be a volatile place. That's why many investors are looking for passive income to help support the ups and downs on the **TSX**. It's an excellent strategy, especially when coupled with companies due for a major rebound. Those companies include **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). By putting these stocks in your portfolio, you can certainly bring in \$333 each and every month.

The best passive income stocks

The reason I chose these three stocks is easy: long-term contracts. Each of these passive income stocks are supported by long-term contracts that continue to see cash flowing in now and decades from now. Yes, some of the share prices have been down the last few years. But those are external factors that don't involve these companies and their balance sheets.

Enbridge stock is down because of the [oil prices](#) in the last few years. However, it's a pipeline. When the glut is over, and it looks to be soon, there will be a massive demand for its production. On top of this, the company has \$10 billion in growth projects set to come online. That growth in revenue on top of recurring revenue is something to look forward to. Enbridge stock offers a dividend yield of 6.93% that's risen at a compound annual growth rate (CAGR) of 14.32% in the last decade.

Then there's Suncor stock. This company is similar to Enbridge stock, where its share performance doesn't have anything to do with company performance. In fact, it made investments before the crash that should see revenue explode with the demand in oil increasing. As the country's largest fully-integrated oil and gas producer, it is set to explode over the next year and beyond. While it cut its dividend yield in half last year, investors may be pleasantly surprised by a boost in passive income this year. Suncor stock currently offers a 3.04% dividend yield that's risen by a CAGR of 10.6% in the last decade.

Finally, Algonquin stock is a solid company with an even more solid [growth](#) strategy. It simply brings in steady utility revenue, acquires more businesses and then brings in more revenue. It's this steady

growth strategy that has seen its revenue increase again and again. It has also meant consistent growth to its dividend yield. Algonquin stock currently offers a 4.45% dividend yield that's risen by a CAGR of 12.4% in the last decade.

Putting it together

If you want \$333 per month in passive income, you'll have to plan for annual dividends. In the case of these companies, Enbridge stock dishes out \$3.34 per share per year, Suncor stock \$0.84 per share per year, and Algonquin stock also \$0.84 per share per year.

So to bring in \$333 per month, that's really \$3,996 per year. Now you could spread out your shares evenly, but if you're looking at passive income specifically, right now I would put a bit more toward Enbridge stock given the higher yield. Then I would split the rest between Suncor stock and Algonquin stock.

So let's say you want to bring in \$1,998 from Enbridge stock, \$999 from Suncor stock and \$999 from Algonquin stock. That would mean an investment of \$29,012 in Enbridge stock, \$34,049 in Suncor stock and \$21,407 in Algonquin stock. That's a grand total of \$84,468! Now you'll be bringing in that \$333 in passive income each and every month, if not more, for the rest of your life!

CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:SU (Suncor Energy Inc.)

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