



## Passive Income: How to Easily Make \$28 a Day

### Description

*Trading Economics* reported that the hourly wage in Canada averaged \$19.34 in the last 30 years from 1991 to 2021. A record low was set at \$13.73 in January 1991. An all-time high of \$28.02 was reached in February 2021.

### Why you'd love passive income

Passive income will make your life *much easier* now and in retirement.

Active income is what you earn from your job or business. It requires active work. On the contrary, passive income requires minimal involvement if you pick proven businesses to partner with.

Your pension fund in retirement will provide for your basic needs. However, having a dividend portfolio to generate juicy passive income can significantly improve your retirement life — no matter what kind of lifestyle you choose.

### Earn passive income of \$28 a day

Visualize earning passive income of \$28 a day. It would be like having someone else work for you for an extra hour for the highest wage. The \$28 is just a start, too. Many dividend stocks tend to *increase* their payouts over time.

These dividend-growth stocks are on the Canadian Dividend Aristocrat List with **Canadian Utilities**, **Fortis**, and **Toromont** in the lead with more than 30 consecutive years of dividend growth! Their 10-year dividend growth rates are 8.7%, 5.6%, and 13.5%, respectively.

If you invested the same amounts in each, the average dividend (or passive income) growth rate would be north of 9.2%. While Canadians don't get these kinds of wage increases every year, this can be achieved by generating passive income from dividend-growth stocks.

## Earn a 5.8% yield

One popular stock for passive income is **BCE** ([TSX:BCE](#)). As Canada's largest telecom with a network that has wide coverage across the country, and it will benefit from its 5G investments.

BCE trailing 12-month revenue was nearly \$23 billion, from which it reported net income of almost \$2.6 billion. In the period, the telecom also produced substantial cash flow — \$8.3 billion in operating cash flow that translated to more than \$3.7 billion of free cash flow (FCF). Its FCF generation more than covered its dividend payment of \$3.1 billion.

That works out to billions of dollars of dividends up for grabs. To make \$28 a day (or \$10,220 a year) in passive income from BCE, investors would need to invest about \$176,206.

## Earn a quality passive income stream

Now, you'd be concentrating too much on one stock if you throw \$176k in [BCE](#) right now. It would be too risky. Aim to hold a diversified portfolio of quality dividend stocks to diversify your capital and income stream.

Ideally, you would hold stocks in real estate, utilities, banks, insurance, consumer staples, industrials, technology, healthcare, etc. Some stocks would churn out fat dividends right off the bat. Others provide lower yields but higher growth potential, namely, growth of the passive income and price appreciation.

After you buy shares in quality [dividend stocks](#) like BCE, Fortis, and Toromont at good valuations, you can simply hold their shares for a growing passive income stream! Consider continuing adding to your holdings whenever you have excess cash and the stocks are well valued to grow your passive income even faster.

## The Foolish takeaway

Passive income can increase your financial stability and improve your lifestyle starting now and through retirement. Don't wait! Start building a passive income with dividend stocks.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance
4. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Dividend Stocks
2. Investing
3. Personal Finance
4. Stocks for Beginners

### Date

2025/07/27

### Date Created

2021/06/01

### Author

kayng

default watermark

default watermark