



Passive Income: Make \$28 Per Day for Life

Description

Canadians lost about 68,000 jobs last month thanks to COVID-19. It was yet another month unemployment continued to drop due to third-wave restrictions, according to Statistics Canada. So, even though the economy seems to be recovering, with the **TSX** hitting all-time highs, we're still a ways off from a full recovery. That's why passive income remains one of the best ways to combat not just lower funds, but unemployment in general.

If there's one thing COVID-19 has taught us, it's that we need to be prepared for financial fallout. This doesn't just come from losing a job. It also comes from the tragedy that is a pandemic. Suddenly, you or a family member have a prolonged hospital stay. That means you are losing income. You need to have a method to create an emergency fund. That's where passive income comes in.

A good place to start is by creating an emergency fund that equals three months of wages. But even if you don't end up needing it, you're creating the habits to work towards \$28 a day in passive income. That's an extra hour of work without lifting a finger. So, let's see how you can get there.

Powered by passive income

Your emergency fund can be powered by passive income by realizing one solid truth. Passive income is usually tied to dividends when investing in stocks. And dividends come in every quarter and sometimes every month like a paycheck. Except during a financial crisis, these dividends are unlikely to be slashed by blue-chip companies. So, you can look forward to growth rather than the volatility of stock shares.

What's also great is once you create the habit, or even an automated payment plan, of reinvesting in your passive-income stock, the hard work is done! You just have to sit back and wait to see when you need, or want, your cash hoard. Given that inflation is only set to increase at a higher rate of 2% or more over the next few years, this is an excellent way to fight back inflation as well.

Make \$28 per day for life

A great blue-chip company that offers a solid dividend yield is **Choice Properties REIT** ([TSX:CHP.UN](#)). The real estate investment trust (REIT) offers a dividend yield of 5.10% as of writing. That dividend is paid out monthly, rather than quarterly, like many other dividend stocks. To reach \$28 per day in passive income, you would need to invest \$200,256.76 as of writing.

But don't get scared off! To reach that goal, you need to first save the cash. That can be done within a decade by putting aside about \$20,000 per year, or \$1,600 per month. That way, you will reach that goal by reinvesting your shares in the stock and using your passive income as well.

The reason I chose Choice REIT as a great passive-income stock is it's a [solid rebound play](#). The company invests in everything from industrial real estate to residents, including **Loblaws**. It's a diverse \$10.54 billion company with 724 properties under its belt and growing.

Bottom line

Investing in passive income seems easy, but it takes a systematic approach to make it work to your advantage. By reinvesting in [dividend stocks](#) and creating those habits, you will soon have an emergency fund or, at the very least, a nest egg to set you up for life. This passive income will give you the safety, security, and stability you need to reach financial freedom.

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2. Personal Finance

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1. Editor's Choice

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