



Passive Income: How to Make \$15 Per Day Starting in 2021

Description

Investing is like winemaking, the older the better. Just like wine, investment needs time to brew. Most self-made millionaires grew rich over time and through constant effort. Billionaire investor Warren Buffett made his fortune from passive investing even after he made some expensive mistakes. But you can start passive income as early as next month.

Start earning passive income from 2021 onward

If you have been building your portfolio over time, you would now have a lump sum accumulated. As the job market is tight and salaries are not quite attractive, it is time to let the money work for you. If you have \$90,000 accumulated in your Tax-Free Savings Account (TFSA), you can earn tax-free \$15 per day by investing in [dividend stocks](#).

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) has a reputation of paying an incremental dividend for 26 years precedes it. Many stocks have been paying incremental dividends for a longer time than Enbridge. But this stock is my first choice because of its [10%](#) dividend compound annual growth rate (CAGR).

This dividend growth might slow as the energy industry transitions to renewable energy. But Enbridge's pipeline infrastructure could become more valuable with time. The company earns toll money for allowing utilities to transit oil and natural gas through its pipelines.

In the future, it will use its pipeline to transmit renewable energy. The dividend growth could slow as building new pipelines become more difficult due to environmental concerns. However, even a 5-6% dividend CAGR can give you an attractive passive income.

BCE

The case with **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is the exact opposite to Enbridge. BCE is accelerating its capital spend to build a 5G infrastructure that will revolutionize the tech world. It will increase internet

penetration even in remote areas and connect more devices to the internet. More devices and more customers will increase subscription money, which will convert into dividend growth.

BCE has been paying an incremental dividend for 12 years, increasing it at a 6.4% CAGR. Currently, it is increasing spending on infrastructure could slow dividend growth in the near term. But once it witnesses the true potential of 5G, its dividend growth could accelerate and so will your passive income.

SmartCentres

Speaking of infrastructure, **SmartCentres REIT** ([TSX:SRU.UN](https://www.smarcentresreit.com)) pays dividend from the rental income it earns from its real estate properties. The REIT has a large exposure to retail stores in prime locations that enjoy high rent and occupancy.

However, lower occupancy can significantly impact SmartCentres income as it did during the pandemic. Hence, the REIT is broadening its exposure to residential and multipurpose properties that will diversify its rental income.

While SmartCentres is not known for its dividend growth rate, it is known for paying monthly dividends for over a decade.

How to earn \$15 per day in passive income

Now the question is how these three stocks will fetch you \$15 a day in passive income. Enbridge, BCE, and SmartCentres have a dividend yield of 6.76%, 5.76%, and 6.22%, respectively. If you divide \$90,000 equally between the three stocks, it will fetch you an annual dividend income of \$5,622 that converts to \$15.4 a day.

If you already have \$90,000 invested in a Tax-Free Savings Account (TFSA) and you shift that to the above three stocks, it won't add to your tax bill, and neither will the \$15 per day dividend income. The added advantage is two of these stocks have the potential to increase their dividend at a 5% CAGR, which will convert your passive income to \$20 per day by 2029.

This 5% CAGR is higher than Canada's average inflation rate of 2%, which means your passive income will grow even after adjusting for inflation.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)

4. TSX:ENB (Enbridge Inc.)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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