



Passive Income: How to Make \$100 a Week in Your TFSA

Description

Passive income is one of the best feelings in the world. Having your hard-earned capital work for you and earn you money consistently is a feeling that never gets old.

What's even more ideal about passive income is reinvesting the cash as you receive it to take advantage of compound interest. And when you use an account like the Tax-Free Savings Account (TFSA), you can [compound your money](#) even faster.

The key to finding passive-income investments is buying high-quality companies with attractive dividend yields. It also helps if these businesses continuously grow the income they return to shareholders.

One of the best Canadian stocks to consider would be **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Enbridge: A top Canadian stock for passive income

Enbridge is one of the largest and most well-known companies in Canada. Its sheer size and crucial operations are what make it such an important company to the Canadian economy and an excellent [dividend stock](#) to buy and hold long term.

Energy is easily one of the most important industries in the economy. So, Enbridge's operations are crucial to ensure that North America's economy continues to run smoothly.

25% of all the oil produced in North America and 20% of all the gas consumed in the United States is transported through Enbridge's many pipelines. So, it's clear just how important the company is; it's too big to fail.

That isn't all the company does, though. It has a vast portfolio of diversified businesses, making it a total energy powerhouse. As a result, the company is constantly growing and a major cash cow.

This allows Enbridge to continue to invest in growth while also returning a tonne of capital to investors.

Recently, much of that growth has gone into growing its renewable energy portfolio. And these investments not only grow the business but also diversify Enbridge's operations even more, ensuring that it's well positioned for the future.

And the capital that it does return to investors increases each year. For 26 consecutive years, Enbridge has increased its dividend payment, even last year through an unprecedented pandemic.

This is why it's one of the best Dividend Aristocrats for passive-income seekers to buy. It's especially attractive today, offering a dividend yield of 6.7%.

How to make \$100 a week

Enbridge is the perfect stock to buy today for passive-income seekers looking to earn a tonne of dividend income. It's a high-yield stock with an extremely safe dividend that you can buy and hold for years. Plus, each year you do hold it, the passive income you receive will grow.

You can't invest all your eggs in one basket, though, regardless of how safe the stock is, so if you're looking to build a passive-income stream in your portfolio, here's what to do.

Currently, for investors who have been eligible for the TFSA since day one, the total contribution room is \$75,500. So, to earn \$5,200 a year in passive income (\$100 a week), a \$75,500 portfolio would need to yield about 6.9%, roughly the same as Enbridge's dividend yield today.

So, if you want to earn an attractive stream of income, it's crucial to find high-quality stocks with stable operations and a growing dividend.

And even if you don't have enough in your portfolio to yield \$100 a week right away, fear not. As the money compounds and you make new investments, your passive income will naturally rise.

Plus, if you focus on high-quality Dividend Aristocrats like Enbridge, your companies will increase their payouts annually anyway.

With this strategy, in no time, you'll watch that passive-income stream grow considerably. Then all you have to do is have the patience and discipline to buy the highest-quality dividend stocks possible and continue to reinvest all your earnings.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

Date

2025/08/26

Date Created

2021/07/10

Author

danieldacosta

default watermark

default watermark