How You Can Make $400 in Dividends With TSX Stocks Every Month

Description

Some Canadians turned far too conservative last year amid the pandemic. As a result, they have been sitting on an excessive amount of cash that they might not need, even in case of the most destructive economic consequence. As we move closer to the end of the pandemic, you can consider investing in some safe **TSX** stocks that can create a stable passive income stream.

Put your cash to use

Certainly, liquid cash makes you feel more comfortable while taking care of your emergencies. However, at the same time, it only loses value with inflation and does not create any new money. So, it makes sense to move a part of your savings into low-risk stocks that offer safety as well as some growth.

Consider top energy midstream stock **Enbridge** (TSX:ENB)(NYSE:ENB). It is one of the biggest, top-yielding stocks on the TSX. It yields close to 7%, which is far superior to Canadian stocks on average.

Notably, investors that are not comfortable with stocks with large price swings can consider ENB stock. It derives a major portion of its earnings from long-term, fixed-fee contracts that enables dividend stability. Thus, it has increased shareholder payouts for the last 26 consecutive years. And you can expect the streak to continue for the future with its stable, low-risk operations.

TFSA investors: Canadian dividend stocks to buy

For 2021, the Tax-Free Savings Account (TFSA) cumulative contribution room is $75,500. If you invest this in ENB stock, you will receive $440 in dividends per year. Also, these dividend payments and capital appreciation will be tax-free under the TFSA. The dividend amount will keep increasing as the company manages to grow its profits every year.

Another stable stock TFSA investors can consider is **BCE** (TSX:BCE)(NYSE:BCE). The telecom giant yields a decent 6% at the moment. Like Enbridge, BCE also generates stable earnings from low-risk operations, which facilitates dividend visibility. Moreover, they are generally perceived as recession-resilient stocks due to their stable shareholder returns in almost all economic situations.

BCE will likely see significant growth in the next few years, given the 5G revolution. BCE, Canada's second-biggest telecom player by subscriber base, could see accelerated earnings growth in the next few years. It has been aggressively investing in its network upgrade this year.

Its scale and extensive presence will likely expand its subscriber base further, giving it an edge in the 5G race.

BCE stock has returned approximately 11% compounded annually in the last 10 years, notably beating Canadian stocks at large.

Canadian Utilities (TSX:CU) is another TSX stock that's appealing to income-seeking investors. It has increased dividends for the last 49 consecutive years, the longest dividend growth streak in Canada. It currently offers a dividend yield of 5%. CU earns stable and predictable cash flows, making it apt for low-risk, conservative investors.

Bottom line

These three might underperform growth stocks in the bull market. However, when it comes to passive income, these Canadian bigwigs are unmatchable. You will earn an average yield of a little higher than 6% with these three TSX stocks.

TFSA investors with $75,500 invested equally with these three will earn close to $400 in dividends per month.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

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