



Passive Income: Earn \$14 a Day Without Breaking a Sweat

Description

The pandemic made many Canadians realize the importance of having a secondary income stream that supplements their active income. Having one revenue generation source, typically a job, was inadequate in the face of the global health crisis that led to record unemployment levels throughout the country.

Canadians with savings are starting to understand that they can get more value out of their savings by using it as capital to invest in income-generating assets to earn more money. Using the Tax-Free Savings Account (TFSA) as an investment vehicle to store a portfolio of income-generating assets can help you [grow your wealth](#) even faster by enjoying tax-sheltered earnings from your investments.

The real key to successfully generating significant passive income is to identify and buy high-quality assets that can provide you with consistent and reliable returns through high dividend yields that offer better returns than interest can offer.

Today, I will discuss **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock and how the [dividend stock](#) can help you generate significant passive income through its growing dividend payouts.

A passive-income machine

Enbridge stock is one of the largest Canadian companies in the energy sector. The company plays a vital role in the Canadian economy through its massive size and scale of operations. Enbridge boasts a massive network of pipelines that transports a quarter of all the oil produced in North America and a fifth of all the gas consumed by our neighbors to the south.

Effectively speaking, Enbridge is a company that is instrumental in ensuring that the North American economy runs smoothly. The company also operates a diversified portfolio of other businesses that supplement its oil pipeline business to generate more income for the company. The midstream energy company can generate enough cash flows to comfortably finance its juicy 6.87% dividend yield.

Enbridge has been a favourite among dividend-seeking investors due to its impressive 26-year streak

of increasing dividend payouts to shareholders. The company did not break its dividend-growth streak, even during the worst period of the pandemic last year, reinforcing investors' confidence in its ability to provide them with consistent and reliable returns.

How to earn \$14 per day

Generating \$14 per day with a portfolio of dividend stocks in your TFSA is possible, provided that you can create a portfolio that can generate enough returns on your investment. A portfolio that can provide you a return of 6.87% per year, like Enbridge stock's 6.87% dividend yield, can provide you with \$5,186 per year, translating to \$14.21 per day.

Foolish takeaway

Remember that the scenario above that describes how to generate \$14 per day in passive income is hypothetical. You should never allocate your entire TFSA contribution room to one asset.

This was an example to make it simpler for you to understand that it is possible to generate significant passive income through your TFSA by investing in a portfolio of reliable and high-quality dividend stocks.

If you are planning to create a portfolio to generate [substantial dividend income](#), Enbridge stock is worth owning as a core holding for your portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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Author

adamothonman

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