



Passive Income: Make \$340 in Monthly Dividend Income Forever!

Description

Canadians who are hoping for a full economic rebound in the immediate future may have a little longer to wait. It looks like we're more likely to enter a short period of *stagflation*, which means slow economic growth and relatively high unemployment. This is when the economy continues in this poorer position, but inflation rises.

If that's the case, Canadians will seriously struggle to save. That's why if you have any cash available right now, don't choose growth stocks for investment; instead, choose dividend stocks for passive income.

Dividend stocks are the perfect option for any portfolio when chosen correctly. You can find companies with long-term growth prospects that will continue paying out even during an economic downturn. What's even better is that you can also find passive income stocks that deliver monthly dividends! So let's look at how much you'll need during this time of stagflation and how dividend stocks can get you there.

The goal

Motley Fool investors need a goal in mind for any investment, and creating dividend income is no different. If you're looking to fight off inflation and make extra cash during an economic downturn, you'll probably want to make about 8% in returns each year. That would mean you would fight back predicted inflation of 3.6% and make money on top of that to suffer through a poor economy.

The average Canadian makes about \$51,000 per year. If you want to supplement your income with dividend stocks by 8%, you'll have a goal of \$4,080 in passive income each year.

To reach that goal, you're going to have to find dividend stocks that deliver high yields, but also promise future growth. You'll want to look in a sustainable area that isn't about to drop in the future. So let's look at a stable industry that should continue to deliver passive income well into the future.

Keep your dividends healthy

If you want to find dividend stocks that will keep your goal healthy and strong, health is a strong area to consider today. The healthcare industry didn't exactly rise across the board during the pandemic. Rather, those that provided care during the pandemic saw sustainable growth, and the necessity for future investment became apparent.

Healthcare stocks are strong areas in which to invest if Motley Fool investors want continued growth from investment. However, you can also find passive income from these dividend stocks. So you can look forward to strong future growth and dividends to boot.

While there are a lot of areas in healthcare in which to invest, I would look at real estate investment trusts first. This provides investors with a diverse range of properties, usually around the world. They provide [stable revenue](#), since many lease agreements last over a decade. And these companies continue to grow, buying up further healthcare properties that will remain essential even during a market crash.

NorthWest Healthcare

The company that ticks all the boxes in this case is **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)). NorthWest Healthcare has around 200 income-producing properties around the world. It recently added further properties in the Netherlands and an Australian healthcare REIT for over \$2 billion.

The company has seen revenue continue to grow [during the pandemic](#), announcing an average lease agreement of 14.3 years for its global properties; it has maintained 97% occupancy, with assets under management rising by 16.2% year over year during the last earnings report. With earnings due this week, investors should see another boost in share price if they buy now.

But Motley Fool investors have a long future of passive income from dividend stocks like this. Shares are up 21% in the last year and 78% in the last five years. That's a compound annual growth rate (CAGR) of 12.4% as of writing, so there's your 8% return right there!

But on top of that, you get a 6.2% [dividend yield](#) delivered monthly. To reach that \$4,080 point, today it would take an investment of \$65,790. And that's cash that can keep on growing as one of the best monthly dividend stocks around continues to grow at a stable rate.

CATEGORY

1. Coronavirus
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3. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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